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USSR TALKS SCHEDULED FOR SEPTEMBER

OW011253 Tokyo KYODO in English 1246 GMT 1 Aug 85

[Text] Tokyo, Aug. 1 KYODO -- Japan and the Soviet Union will hold their long-postponed high-level talks in early September, a top Foreign Ministry official said here Thursday. The official, who declined to be identified by name, said that Moscow had already proposed to hold the talks around the early part of next month and that Japan has no objection to the proposal. The talks, originally scheduled to have been held in May, have been postponed twice by Soviet Deputy Foreign Minister Mikhail Kapitsa, who will represent the Soviet Union at the talks.

On other developments in Japan-Soviet relations, the Foreign Ministry official said that Foreign Minister Shintaro Abe and the new Soviet Foreign Minister Eduard Shevardnadze will meet in New York in late September when the two visit the U.S. City to attend the U.N. General Assembly session. Shevardnadze has sent a message to Abe, saying he is looking forward to that meeting, according to the official. He also said that Soviet Minister of Culture Petr Demichev, a candidate Politburo member, is most likely to visit Japan in the Middle of next month.

INDUSTRIAL LEADERS COMMENT ON ACTION PROGRAM

OW301243 Tokyo KYODO in English 1147 GMT 30 Jul 85

[Text] Tokyo, July 30 KYODO -- While noting that the government had exerted itself in compiling the just-announced action program, Japanese industrial leaders said Tuesday the program still seems to lack effective measures to eliminate trade frictions with other countries. Isao Yonekura, president of C. Itoh and Co., a leading trading company, said the government had done what it could in preparing the program. But, he said, the program will not likely satisfy the United States, Japan's biggest trading partner. "The government should at least have included a pledge on total elimination of import tariffs on industrial manufacturers in the program," he said. He added it was only natural for a nation with an annual trade surplus of over 50 billion dollars to take such action. "The government should also have decided to cut by half the number of items still under import controls over the coming three years," he said.

Yohei Mimura, president of Mitsubishi Corp., another big trading house, said he does not think the program contained thoroughly effective measures to open the domestic market wider to foreign imports. Akio Morita, president of the Electronic Industries Association of Japan, said the pledge to simplify and improve standards and certification systems for electronic products will lead to expanded imports of such products. "The action is in line with Japanese efforts to promote internationalization (of the Japanese economy)," he noted. Morita, however, said he does not believe the action program alone will bring about a balance between the nation's exports and imports. The government should also promote efforts to solve foreign exchange problems, he said.

Officials of the Japan Automobile Manufacturers Association hailed the measures to simplify automobile imports which they said will certainly lead to increased automobile imports. Trading companies and food makers said the government action program eliminates the time- and money-consuming procedures for imports of foods, food materials and beverages. Cosmetic makers also hailed the decision to improve standards and certification systems.

ASIA-PACIFIC REGION 'COOL' ACTION PROGRAM

HK310824 Hong Kong AFP in English 0748 GMT 31 Jul 85

[Text] Undated, July 31 (AFP) -- Japan's "action programme" for opening up its domestic markets to foreign competition drew a cool response today from governments and businessmen elsewhere in Asia and the Pacific. A survey by AGENCE FRANCE-PRESSE bureaux of official and unofficial reaction in the region revealed that the Japanese Government's package of measures in general did not go far enough. The three-year programme, announced yesterday, cut customs duties and removed non-tariff barriers to imports.

Some businessmen and officials were sceptical about the programme's likely effect, and others said the measures had come too late. Some even said the measures would actually worsen Asian and Pacific countries' trade deficits with Japan, because they would make U.S. and European goods more competitive in the Japanese market.

The South Korean Trade and Industry Ministry expressed "regret" that the programme did not alter non-tariff barriers to six items, including raw silk, as Seoul had hoped. They also complained that the programme was "too vague and abstract" in its provisions for altering import restrictions on agricultural and industrial goods. The officials said Seoul planned to demand further Japanese market-opening measures at a bilateral ministerial meeting due to be held in Seoul and next month.

Thai businessmen welcomed the programme, but commented that it came rather "late" to help countries with large trade deficits with Japan, a senior official of the Thai Industry Association (TIA) said today. Said ITA executive director Ah-ram Kotikula: "However, the decision shows that Japan has a political will to co-exist with other countries." Mr Ah-ram added that the package should concentrate more on members of the Association of Southeast Asian Nations (ASEAN). "I personally believe the measures will not last long because they will be opposed by Japanese consumers and farmers who want to protect their own produce."

The Philippines' acting foreign minister, Pacifico Castro, said the Philippine Government was pleased that Japan would consider the reduction of tariff rates for imports from ASEAN, including bananas from the Philippines. "We hope this will be the first among several measures that Japan will take in favour of ASEAN countries," he said. Mr Castro said that during the recent ASEAN foreign ministers' meeting in Kuala Lumpur he had asked Japan to consider further reductions in tariffs on Philippine exports to Japa.

Chiang Ping-kun, secretary general of the China external trade development council in Taiwan, said the package was intended to promote Japan's trade with the U.S. and European countries. Taiwan and other Asian countries "would not benefit too much" from the measures, he said. On the contrary, the measures might increase competitiveness of U.S. and European products against Taiwan goods in the Japanese market. Mr Chiang said Taiwan had failed for years to ask Japan to reduce import tariffs on certain farm products and frozen foods, which comprised the bulk of Taiwan's exports to the country.

China has yet to react officially to the package. But the NEW CHINA NEWS AGENCY (NCNA) reported from Tokyo: "Observers noted that since it is the seventh effort by the Japanese Government to open its domestic market (in four years), it remains a question of how much effect the current programme will have and how far it will be carried out." Observers here said that although NCNA attributed these comments to foreign observers, the sentiments expressed were likely to reflect China's thinking.

FOREIGN MINISTRY DISPLEASED WITH OVERSEAS REACTIONS

OW301231 Tokyo KYODO in English 1221 GMT 30 Jul 85

[Text] Tokyo, July 30 KYODO -- A ranking Foreign Ministry official, commenting on overseas reactions to the just-published market-opening "action program," said Tuesday that any criticism should be preceded by a full scrutiny of the contents of the program.

"It's bad manners to criticize the program without a full study," said the official, who declined to be identified. The government has yet to explain the program to other countries at length, he said.

He was referring to reports from abroad that criticisms had been voiced immediately after the announcement of the program aimed at according foreign goods greater access to the Japanese market. The official conceded the program cannot satisfy all the demands of other countries. But he said that a careful study of the program must lead to the understanding of Japan's efforts.

No superficial criticisms can be accepted, he said. He asked other countries to spend reasonable time in assessing the action program before voicing criticisms, if any.

In another development related to the action program, Kiichi Miyazawa, chairman of the ruling Liberal-Democratic Party's Executive Council, called on U.S. Ambassador to Japan Mike Mansfield at the American Embassy here Tuesday and explained the program, especially pointing to the reduction of tariff on wood products, which are of interest to the United States. The ambassador, although expressing appreciation for the Japanese Government's market-opening efforts, asked Miyazawa about chocolate, another item of interest to the U.S., which was not included in the action program.

GOVERNMENT TO STRESS BOOST IN DOMESTIC DEMAND

OW300631 Tokyo KYODO in English 0613 GMT 30 Jul 85

[Text] Tokyo, July 30 KYODO -- Following the announcement of its market-opening action program, the Japanese Government will now shift its attention to expanding domestic demand to increase imports, State Minister Toshio Komoto said Tuesday. Komoto told reporters that the government will set up a working group to draw up pump-priming measures by this autumn. The decision follows a report produced on April 9 by the Advisory Committee for External Economic Issues, headed by former Foreign Minister Saburo Okita.

The committee made four recommendations -- a review of the tax system; implementation of five-day working week; abolition or relaxation of government regulations applying to the private sector; and introduction of private sector vitality into public works projects.

Foreign Minister Shintaro Abe said after a cabinet meeting Tuesday, "Expansion of domestic demand with public spending as the chief feature is difficult, but without the support of public spending, it would be impossible."

Meanwhile, Yoshihiro Inayama, chairman of the Federation of Economic Organizations (Keidanren), praised the action as a "decisive step" and urged the government to carry out the measures included in the program.

FOREIGN MINISTRY TO PROMOTE ACTION PROGRAM

QW311013 Tokyo KYODO in English 1002 GMT 31 Jul 85

[Text] Tokyo, July 31 KYODO -- The Foreign Ministry will launch a three-month publicity campaign starting next month to promote Japan's trade action program, a high-ranking ministry official said Wednesday. He said the campaign calls for Japanese embassies, consulates and other overseas missions to "sell" the program, which is aimed at giving greater access to the Japanese market. Japanese consuls, for example, will travel beyond their assigned areas to explain the program, which the government announced Tuesday to ease trade friction with the United States, Western Europe and other trading partners, the official said. The senior ministry official, who declined to be identified, expressed disappointment at Japan's failure to include drastic steps to facilitate imports of agricultural produce in the action program. When asked to assess the action program on a 1-100 scale another senior ministry official replied, "70 to 75 points."

In addition to the tough import restrictions on agricultural products, the second official was critical of Japanese lawyers' resistance to allowing foreign lawyers to open offices in Japan. The action program report simply stated, "paying due regard to the autonomy of the Japan Federation of Bar Associations, solutions appropriate both domestically and internationally are aimed to be reached, with expectation of necessary amendment of the lawyers law in the next regular session of the Diet (parliament)." The ministry official argued that the word "domestically" gives the Japanese Bar Association an excuse to keep foreign lawyers out of the Japanese market indefinitely.

NAKASONE ON HIROSHIMA BOMBING, TRADE BILL

OW011117 Tokyo KYODO in English 1055 GMT 1 Aug 85

[Text] Tokyo, Aug. 1 KYODO -- Prime Minister Yasuhiro Nakasone told America TV viewers Thursday that the U.S. atom bombing of Hiroshima and Nagasaki during the Pacific war was an act which violated international law. Asked to comment on the bombing by the U.S. NBC in New York for video taking, Nakasone said that the bombing was an inhumane act. "Such indiscriminatory attack on civilians violated international law. (The bombing) should not have taken place," the prime minister said as he sat in his office. Japan does not and will not possess nuclear arms, he said.

The interview was conducted by NBC to mark the 40th anniversary of the atom bombing of the two cities. An American on the program told Nakasone that it is known to everyone in the United States that U.S. ships carrying nuclear weapons are visiting Japanese ports. Nakasone said in response that port calls in Japan by U.S. ships carrying nuclear arms are subject to the prior consultation provision in the Japan-U.S. security treaty. International law does not allow Japan to check each U.S. ship entering Japan, he said.

But he said that the treaty should be based on mutual trust between the two countries and expressed his conviction that U.S. ships carrying nuclear weapons have never entered Japanese ports.

On other subjects, Nakasone said he felt it unfortunate that a trade protectionist bill is now before U.S. Congress. Such a bill should never be made into law, he said. He said that Japan is making its utmost efforts to open its markets wider to foreign goods and that he is convinced the efforts will produce fruitful results.

HITACHI PLANS \$120 MILLION IN U.S. PURCHASES

OW311121 Tokyo KYODO in English 0950 GMT 31 Jul 85

[Text] Tokyo, July 31 KYODO -- Hitachi, Ltd. said Wednesday it would import 120 million dollars worth of industrial products from the United States to help ease the trade imbalance between the two nations. The company said the products to be imported would include such items as machine tools and production facilities as well as communications and electronics components. In addition, the company said it would establish a 20 million dollar fund in Washington to help promote academic, cultural and scientific interchanges between Japan and the United States.

An import promotion mission headed by Vice President Shiro Kawada will be sent to Washington by the end of August to work out a shopping list, company officials said. The company is also studying the possibility of establishing a facility to manufacture video tape recorders in the United States. Kawada told reporters the company would like to contribute to easing trade friction with the United States as much as it can as a private enterprise. The Hitachi fund is to be inaugurated by the end of this year. It will be managed by American executives to be chosen later.

'BAZAARS' TO PROMOTE FOREIGN PRODUCT SALES

OW310151 Tokyo KYODO in English 1212 GMT 30 Jul 85

[Text] Tokyo, July 30 KYODO -- Nationwide import promoting bazaars will be held in October and November as part of Japan's market-opening program announced Tuesday, the Ministry of International Trade and Industry (MITI) said Tuesday. The bazaars, to promote sales of foreign products, will be opened at some 1,000 places under the sponsorship of the Japan External Trade Organization (JETRO), local chambers of commerce and industry and various shops throughout the nation. Large-scale bazaars will also be held in Tokyo, Yokohama and Kitakyushu between August and November, MITI said.

MITI Tuesday also called upon 60 more Japanese companies, including electric gas and machinery makers to cooperate in import promotion adding them to 60 firms already singled out and comprised mainly of importers and distributors. MITI Minister Keijiro Murata will ask these 60 further companies to make efforts to sell foreign products to Japanese customers. MITI also plans to help foreigners understand the new Japanese trade measures through the overseas offices of JETRO and Japanese companies.

FORESTRY REVITALIZATION PROGRAM ANNOUNCED

OW310235 Tokyo KYODO in English 0635 GMT 30 Jul 85

[Text] Tokyo, July 30 KYODO -- The government has decided to earmark 50 billion yen for a five-year plan started in fiscal 1985 to revitalize the forestry industry to help it cope with the tariff reduction on imports of softwood and hardwood plywoods scheduled to be introduced in April 1987, Finance Minister Noboru Takeshita said Tuesday.

The decision was made at talks between chief cabinet secretary Takao Fujinami, Takeshita and Agriculture, Forestry and Fisheries Minister Moriyoshi Sato. The North Chukin Bank and other financial institutions will provide the industry with loans worth of 100 billion yen, Takeshita said.

OFFICIAL RESERVES HIGHEST IN MORE THAN 2 YEARS

OW010927 Tokyo KYODO in English 0923 GMT 1 Aug 85

[Text] Tokyo, Aug. 1 KYODO -- Japan's holdings of gold, convertible foreign currencies and special drawing rights (SDRS) -- paper gold -- increased 534 million dollars in July to 28,103 million dollars at the end of the month, the highest level in about two and a half years, the Finance Ministry said Thursday. The ministry said the sharp rise was due to increased returns on investments of the reserves and appreciation of the SDR resulting from the U.S. dollar's decline in exchange value.

BANK PESSIMISTIC ABOUT TRADE SURPLUS REDUCTION

OW010919 Tokyo KYODO in English 0848 GMT 1 Aug 85

[Text] Tokyo, Aug. 1 KYODO -- The Bank of Japan Thursday sounded pessimistic about changes of a quick reduction in Japan's trade surplus -- a major cause of tension with its trading partners. The current external imbalance is extremely deeply rooted, and it is difficult to find a realistic and quick remedy to considerably reduce the surplus, said a special paper prepared by the central bank's research and statistics department.

Blaming the imbalance on a shift in Japan's trade structure which has been taking place especially since the end of the first oil crisis in 1983, the 25-page paper said the correction of Japan's current-account surplus, which totaled 37 billion dollars last year, will not be easy. The trade structure has been shifted to one allowing a fast and easy growth of exports, while curtailing the growth of imports, it said.

Japan enterprises have actively invested in equipment which allows gains in productivity and this has led to a shift in the pattern of exports toward high-tech products enjoying increasing demand, it said. Also cited as a major cause for Japan's trade surplus was the yen's depreciation against the dollar which the report attributed to Japan's capital outflow resulting from attractively high U.S. interest rates.

The bank thus said boosting the value of the yen seems to be the only way to correct Japan's external imbalance. But the bank again voiced pessimism when it said the effects of a stronger yen will have limitations. It said the yen's appreciation will not bring about a substantial drop in Japan's trade surplus in a short period but that it will help reduce exports in the long run and thus increase Japan's dependence on domestic demand, resulting in a change in the country's trade structure.

Referring to calls among some government officials for expansion of domestic demand to correct Japan's trade imbalance, the bank reiterated the expansion should not be carried out by fiscal measures, nor by monetary relaxation. Increased public investment will only loosen fiscal discipline, said the bank, adding that each trillion yen of public [words indistinct] leads to an annual increase in imports of only 700 million yen. An easing of credit conditions by monetary measures would be likely to cause depreciation of the yen and would further expand the trade imbalance, making Japanese exports more competitive in world markets, it added.

ABE, PRC'S GU MU DISCUSS TRADE IMBALANCE

OW311147 Tokyo KYODO in English 1119 GMT 31 Jul 85

[Text] Tokyo, July 31 KYODO -- Japanese Foreign Minister Shintaro Abe proposed Wednesday the creation of trading houses in China to strengthen bilateral economic relations, which have been strained in recent months by the bulging trade imbalance. He made the proposal in talks with Gu Mu, the Chinese state councillor who headed a delegation at a two-day Japan-China ministerial meeting at the Foreign Ministry here Tuesday and Wednesday. Gu told Abe that China will study the proposal, a Foreign Ministry official said.

The foreign minister's proposal represented a Japanese attempt to ease tension stemming from the huge bilateral trade imbalance, which reached 2.8 billion dollars in the first six months of this year, compared with an annual total of 1.3 billion dollars in 1984. The visiting state councillor indicated that Beijing, despite dwindling reserves of foreign currencies, will implement a state plan to purchase home appliances and other durable products from abroad to meet domestic demand.

Gu also said the Chinese Government will announce new steps to allow foreign enterprises operating in China to take their profits out of the country in order to dispel fears about investment in China. As in two days of ministerial talks that preceded his meeting with Abe, Gu emphasized that China has no plans to change its open door policy and will continue its economic reform, according to Foreign Ministry officials. Abe, seeking China's understanding of what the Chinese say is a low level of Japanese investment there, said China's rigid commercial rules are hampering efforts by foreigners to procure foreign currencies to keep their firms operative.

Japanese officials said Abe offered to send management consultants to China to assist in its management control and personnel training programs. Gu called for an early conclusion of an investment protection pact with Japan. He also expressed China's hope to obtain foreign technology and combine it with trade for his country's modernization and economic development.

75 BILLION YEN LOAN APPROVED FOR CHINA

OW310639 Tokyo KYODO in English 0630 GMT 31 Jul 85

[Text] Tokyo, July 31 KYODO -- Japan will extend up to 75.1 billion yen in low-interest government loans to China to finance seven major transport and telecommunications projects, the government announced Wednesday. Formal documents on the loan package were exchanged between Foreign Minister Shintaro Abe and his Chinese counterpart Wu Xueqian at a ceremony held at the start of the second and final day of the Japan-China ministerial conference.

The credit line, to be funded by the government's Economic Cooperation Foundation, carries 3.5 percent annual interest, and is to be repaid over 30 years, with a 10-year grace period. The projects to be financed under the loan package include railways, port facilities and a telecommunication network.

The Foreign Ministry said there were no strings attached concerning how China may use the funds for procurement connected with the seven projects. The two railway projects covered under the loan agreement consist of doubletracking the 541-kilometer railway line between Hengyang and Guangzhou and electrification of the 684-kilometer Zhengzhou-Baoji railway line. The loan package also includes a 9.2 billion yen credit for improving the telephone networks in Tianjin, Shanghai and Guangzhou.

TAKESHITA, OTHER MINISTERS MEET PRC COUNTERPARTS

OW311201 Tokyo KYODO in English 1114 GMT 31 Jul 85

[Text] Tokyo, July 31 KYODO -- Chinese officials attending a Sino-Japanese ministerial conference Wednesday sought wide-ranging Japanese cooperation in China's development projects in separate meetings with their Japanese counterparts. Finance Minister Wang Bingqian, in a meeting with his Japanese counterpart Noboru Takeshita, asked Japan to actively cooperate in China's economic development, government officials said. Specifically, Wang appealed to Japan to send financing and foreign exchange experts to China to help train Chinese officials in charge of foreign exchange dealings. Takeshita pledged Japan's cooperation.

He Kang, China's minister of agriculture, animal husbandry and fishery, called for joint Sino-Japanese research to develop new strains of corn and soybean to suit the taste of the Japanese people. He Kang made the proposal in a meeting with Moriyoshi Sato, minister of agriculture, forestry and fisheries. Referring to the success of joint Sino-Japanese work on rice seeds, he proposed that such efforts be expanded to cover other areas such as animal husbandry.

Both ministers agreed to study the possibility of joint undertakings.

In a separate meeting, Song Jian, minister of the State Scientific and Technological Commission, and his Japanese counterpart, Reiichi Takeuchi, agreed that Japan and China should further develop cooperation in the scientific and technological fields. Takeuchi said he hopes to appoint a diplomat in charge of scientific cooperation at the Japanese Embassy in Beijing in fiscal 1986.

Takeuchi accepted an invitation to visit China, possibly in early September.

Meanwhile, Transport Minister Tokuo Yamashita and Chinese Communications Minister Qian Yongchang agreed that Japan should continue financial and technological cooperation in Chinese port and harbor and railway construction projects and in the scrapping of ships. Qian told Yamashita that China plans to promote ship scrapping and use the scrap obtained to increase its steel production. Yamashita replied that Japan will continue to provide financial and technological aid to help China to promote its ship scrapping business, which will help reduce the surplus number of ships.

NODONG SINMUN URGES SUPPORT FOR OLYMPICS PROPOSAL

SK010450 Pyongyang Domestic Service in Korean 2149 GMT 31 Jul 85

[NODONG SINMUN 1 August article: "A Realistic Proposal To Rescue the Olympic Movement From a Crisis"]

[Text] On 30 July, Chong C un-ki, vice premier of the State Administration Council of the DPRK, issued a statement in connection with the 24th Olympic Games.

In the statement, the vice premier of the State Administration Council, expressing concern about the serious crisis facing the Olympic movement at present, asserted that the 24th Olympic Games should be co-hosted by the North and the South in order to overcome such a crisis. In this connection, he said that it is reasonable to call the games the Korea Olympiad or Pyongyang-Seoul, Korea, Olympiad; hold half of the games in Pyongyang and the other half in Seoul; and participate in the Olympiad as a single team of North and South Korea.

This proposal for co-hosting the Olympic Games, put forth by the vice premier of the State Administration Council in his statement, is the most realistic and reasonable proposal, capable of rescuing the Olympic movement from a crisis and of making the 24th Olympic Games a success.

The Olympic movement is now facing a serious crisis. This is connected with the decision to hold the 24th Olympic Games in the South of our divided country, against the basic idea and principles of the Olympics. As is widely known to the world, Seoul, in South Korea, is not a suitable place to hold such an international sports festival as the Olympics.

Because of war maneuvers by the U.S. imperialists and the puppet clique, the whole of South Korea, including Seoul, is filled not so much with a peaceful atmosphere as the smell of gun powder. Also, the people's freedom and right to existence are being ruthlessly trampled underfoot.

Political and social chaos in South Korea is worsening with each passing day. In particular, under the circumstances in which the puppets are scheduled to play the game of the so-called presidential election in 1988, when the 24th Olympic Games are to be hosted, the confrontation between the ruling clique and people is expected to become more acute. What is more, all the socialist countries, numerous nonaligned countries, and the Third World countries have established no relations of any kind with South Korea, not even recognizing it as a sovereign state.

Is it conceivable that the Olympic Games could be held in such a place in accordance with the stipulations of the Olympic Charter, the intent of which is to promote friendship, cooperation, and peace?

The fact that Seoul, which has no qualification of any sort to be named the host of the Olympics, was designated as the venue for the 24th Olympics is entirely a product of the impure political plot of the U.S. imperialists and their followers. By using the Olympic Games, the U.S. imperialists and the puppet clique are trying to make South Korea appear as though it were an independent state, to justify their military occupation of South Korea, and to create an atmosphere favorable to fabricating two Koreas.

If any party of the divided Korea holds the Olympic Games unilaterally, by itself, it would eventually result in encouraging the maneuvers of the divisionists, who are bent on fabricating two Koreas, and in exacerbating tension by whipping up antagonism and confrontation between the North and the South, rather than resulting in national rapprochement.

This, in turn, would bring about a division within the Olympic movement.

From the beginning, many nonaligned and Third World countries, including the socialist countries, strongly opposed the holding of the Olympic Games in Seoul, reflecting apprehensions about the grave consequences arising therefrom.

The world's peace-loving people and sportsmen are now raising voice against the designation of Seoul as the venue for the Olympics, saying that sending delegations of sportsmen to the games should be thought out carefully if the Olympics are held in Seoul, a corner of the divided Korea.

Under such circumstances, if the Olympics are held in Seoul only, as called for by the divisionists, not only the socialist countries but many nonaligned and Third World countries as well will not participate in the Olympiad. The co-hosting of the 24th Olympiad by the North and the South is the most reasonable way to prevent the Olympic movement from being split up by making this sports event a wonderful success. This proposal fully reflects the realistic demand and the unanimous aspirations of the world's people, who hope that the Olympic Games will be held in accordance with the express purpose of the Olympics.

If and when our proposal for co-hosting the Olympics is realized, all the countries, including those who oppose the idea of Seoul as the venue for the Olympics and are toying with the idea of boycotting them, will participate in the 24th Olympic Games, and it also will prevent the Olympic movement from splitting up. Also, when this happens, it will contribute to preventing confrontation and division in Korea and to promoting peace and peaceful reunification by having a good impact on the on-going North-South talks.

Anyone who values the Olympic movement and hopes for friendship and peace among the peoples and for the reunification of Korea will find no reason or justification to oppose our proposal for the co-hosting of the Olympic Games. We express our hope that all the governments of the countries of the world and members of public and sports organizations will positively support our just and fair proposal.

NODONG SINMUN HAILS KOREAN-SOVIET FRIENDSHIP MONTH

SK010400 Pyongyang Domestic Service in Korean 2135 GMT 31 Jul 85

[NODONG SINMUN 1 August article: "We Warmly Welcome the Opening of the Korea-Soviet Friendship Month"]

[Text] On the occasion of the 40th anniversary of the glorious liberation of the fatherland, Korean-Soviet friendship month is being observed in our country, beginning 1 August, with the grand opening today. The Korean people greet the Korean-Soviet friendship month with warm feelings of friendship toward the fraternal Soviet people, and warmly congratulate its opening. Also, we heartily welcome all the Soviet delegations visiting our country during the Korean-Soviet friendship month, and send fraternal greetings to the Soviet people.

During the Korean-Soviet friendship month, various events symbolizing Korean-Soviet friendship will be held in the capital and the provinces including a joint exhibition of Korean and Soviet literature and arts, a Soviet exhibition, a Soviet film week, a ceremony marking the completion of the Liberation Tower, wreath-laying ceremonies at the tombs and statues of the Soviet Army and the Liberation Tower, rallies welcoming the Soviet party and state delegation and other delegations, a congratulatory soiree, reunion meetings, a mass game, and an art performance.

The Korean-Soviet friendship month is a very significant event of extending of congratulations and friendship for the peoples of Korea and the Soviet Union. This friendship month will become a happy event more beautifully adorning the friendly and cooperative relations between the peoples of Korea and the Soviet people, which have been firmly connected and fully effloresced in the joint struggle against imperialism and for the victory of the cause of socialism and communism.

The observance of this month will increase the joy of our people in greeting the 40th anniversary of the liberation of the fatherland and will powerfully demonstrate the indestructible might and vitality of Korean-Soviet friendship and unity.

The great leader Comrade Kim Il-song has taught: The peoples of Korea and the Soviet Union are class brothers and close comrades-in-arms who have struggled together for a long period of time for the common ideal and objective.

The liberation of the fatherland, an epochal event which brought a monumental change in the history of our country and in the destiny of our people, was the result of the valiant struggle of the anti-Japanese guerrillas, led by the great leader Comrade Kim Il-song, and the soldiers of the Soviet Army, and a shining fruition of the militant friendship of the peoples of Korea and the Soviet Union.

During World War II, with a self-sacrificing struggle, the Soviet people defeated the fascist aggressors in Europe and participated in the war against the Japanese, defeated the Japanese imperialists, and helped our people, with blood, in their cause of the liberation of the fatherland.

Many a soldier of the Red Army laid down his noble youth and life in the sacred struggle for the freedom and liberation of Korea. The immortal exploits of the valiant soldiers of the Soviet Army will remain long in the memory of our people.

Korea and the Soviet Union are friendly and close neighbors connected with each other by a river between them. Korean-Soviet friendship is based on firm class relations of alliance and comradely fraternity and has a long and deep-rooted historical tradition. The communists and peoples of Korea and the Soviet Union struggled together for a long period of time, from the struggle against the Japanese imperialist robbers to the socialist construction of today, and have closely supported and cooperated with each other as class brothers and revolutionary comrades-in-arms.

The Soviet people supported our people's arduous anti-Japanese armed struggle, rendered material and spiritual support to our people during the harsh period of the fatherland liberation war against the U.S. imperialists' armed invasion and during the difficult period of the postwar rehabilitation and reconstruction, and today are expressing active support and solidarity, with fidelity as class brothers, with our people's struggle for socialist construction and the independent and peaceful reunification of the fatherland.

Today, Korea-Soviet friendship is blossoming more fully with each passing day. The historic visit to the Soviet Union in May of last year by the great leader Comrade Kim Il-song and the meetings and talks between the party and state leaders of the two countries were an epochal event that marked the most shining chapter in the chronicle of Korea-Soviet friendship and strengthened and developed to a new higher stage the indestructible friendship, unity, and cooperative relations between the two parties, two countries, and two peoples.

With this historic visit as a turning point, the exchanges and contacts have become more active, and the friendly and cooperative relations are further expanding and developing in many fields, including the political, economic, and cultural fields.

Continuously solidifying and developing Korean-Soviet friendship is the firm will of our people. Our people will spare no effort to strengthen and develop the blood-related friendly ties and unity with the fraternal Soviet people from generation to generation.

The Soviet Union is the fatherland of Leninism, and was the first socialist country in the world. The Soviet people defeated the imperialists' aggression and the resistance of the domestic reactionary forces; pioneered the virgin road of socialist construction, which had never been trodden before; and, by waging an arduous and steady struggle, have turned their country into a strong socialist state with developed economic power, powerful defense, and modern science and technology.

Today, a new spirit is throbbing in the Soviet Union, and the Soviet people are advancing, with a bright prospect for the future. Firmly rallying around the CPSU Central Committee headed by respected Comrade Mikhail Sergeyevich Gorbachev, the Soviet people are waging a vigorous struggle to carry out the decision of the 26th party congress and the decisions of the recent party Central Committee plenums, to accelerate the fulfillment of the tasks for the final year of the 11th 5-Year Plan, and to complete developed socialism. The Soviet people will successfully greet the 27th party congress before long.

The CPSU and the Soviet Government are actively struggling against the imperialists' maneuvers for aggression and war and are making efforts to safeguard the peace and security of Europe and the world, making various peace proposals to stop the arms race, ease international tension, and remove the danger of a nuclear war.

Our people highly value the successes of the Soviet people in revolution and construction and actively support the peaceful and just position and steps taken by the Soviet party and Government.

Today, everything is progressing well in our country. Our people are more firmly and cohesively united than ever before, rallying around the party Central Committee headed by the great Comrade Kim Il-song. We are upholding the party's leadership to glorify the significant 40th anniversaries of the liberation of the fatherland and the founding of the party as a grand festival of victors, and are effecting great upsurges in all fields of revolution and construction.

The strengthening and developing of Korean-Soviet friendship is contributing to promoting the socialist construction in the two countries and the world peoples just cause of peace and progress.

Firmly hand in hand with the fraternal Soviet people, their class ally, our people will wage a joint struggle, under the banner of Marxism-Leninism and proletarian internationalism, against imperialism and for the victory of peace and the socialist and communist cause, as they did in the past. Korean-Soviet friendship will be immortal.

PYONGYANG REPORTS KIM TAE-CHUNG HOUSE ARREST

SK010024 Pyongyang Domestic Service in Korean 1200 GMT 31 Jul 85

[Text] According to foreign news reports from Seoul, the Chon Tu-hwan military hooligans, on 31 July, put Kim Tae-chung under house arrest, on the eve of the convention of the New Korea Democratic Party [NKDP], slated for early August. Immediately after putting Kim Tae-chung under house arrest, the fascist clique mobilized 500 police troops and surrounded his house. On the same day, the fascist clique also put Kim Sang-hyon, a close associate of Kim Tae-chung, under house arrest.

Denouncing the fascist clique's illegal house arrest of Kim Tae-chung, the NKDP and the Council for the Promotion of Democracy, respectively, issued statements on the same day. The statements noted that the house arrest is for the purpose of disrupting the NKDP convention, and called for an immediate lifting of the house arrest of him Tae-chung.

VRPR SPECIAL ARTICLE ON SAMMIN STUDENT SUPPRESSION

SK311230 (Clandestine) Voice of RPR in Korean to South Korea 1000 GMT 30 Jul 85

[Special article by the Voice of the RPR Editorial Department: "Reckless Acts by Those Who Have Been Cornered"]

[Text] As reported, on 18 July the Chon Tu-hwan ring announced the interim results of the investigation into the students involved in the Sammin Struggle Committee. They are planning to punish the students on charges under the National Security Law, branding the Sammin Struggle Committee, which has struggled for independence and reunification, as a procommunists organization aiding the enemy and branding the students connected with this committee as procommunist elements helping the enemy.

Such an act by the Chon Tu-hwan ring exceeds the viciousness of the tactics employed by the Pak Chong-hui regime, which engaged in frenzied and bloody suppression, issued a series of emergency steps, and fabricated various incidents such as those of Min-chong Haknyon and Namminjon, awkwardly connecting them with the North.

The struggle of the students involved in the Sammin Struggle Committee is a sacred democratic movement to overthrow the unprecedently vicious fascist dictatorship and to restore freedom, a patriotic movement to oppose U.S. colonial rule, the Chon Tu-hwan ring's treacherous acts, and its maneuvers for national division. It is a patriotic struggle to defend the sovereignty and dignity of the nation and to realize the reunification of the country.

The nature of the Sammin Struggle Committee, which the Chon Tu-hwan ring claimed to have identified through intensive and rigorous investigation, mobilizing the prosecution, police, and other suppressive forces, shows that the committee's action objective is the realization of the Sammin ideal of reunifying the nation, liberating the masses, and winning democracy and that the committee has waged an anti-U.S. and anti-government struggle upholding the banner of the anti-foreign force struggle for democracy and the reunification of the fatherland.

Even if we believe the announcement of the fascist authorities on the results of the investigation, we know that the Sammin Struggle Committee can never be an organization helping the enemy, nor does it have any reason to be subjected to any legal punishment.

All the struggle of the Sammin Struggle Committee and the youths and students is the clear manifestation of the consistent curse and indignation of the masses who are suffering from the worst destitution and lack of rights, and an explosion of the complaint of the youths and students which has been accumulated under the vicious fascist rule.

The Chon Tu-hwan ring has placed this land in a state of an undeclared emergency martial law and has turned the entire land into a terrifying prison and a bloody site of massacre. Under their blood-stained guns and bayonets, numerous workers and peasants who demanded the right to exist were arrested and detained, the students and the masses of all walks of life who called for freedom and democracy were arrested, referred to murderous trials, and put in prison.

The Chon Tu-hwan ring waged a surprise attack against the site of the sit-in of the Daewoo Apparel workers, who demanded freedom and food, mobilizing numerous plain-clothed policemen and hooligans and arrested the patriotic students who waged a struggle of seizing the USIS Library in Seoul, demanding clarification of the truth of the Kwangju incident, subjecting them to a murderous trial. The Chon Tu-hwan ring even waged a surprise attack on an art exhibition, arrested innocent artists, and is inflicting suppression on them for drawing the life of workers with the descriptive words, "Our father lives in the plant all day."

The matchless national traitors' ring, ruthlessly suppressing the masses with guns and bayonets, is flattering and bowing to its U.S. and Japanese masters, committing without hesitation the crimes of totally handing over to them national sovereignty and economic assets and selling out everything national.

The fascist ruling group is trying to suppress the desire of the people to achieve reunification, which has increased with the passage of time with the North-South dialogue as momentum, and to use this dialogue for its sordid desire for long-term power. How can those who love justice and truth and who possess one bit of national conscience overlook this bitter situation and tolerate the horrible crime committed by the Chon Tu-hwan ring? It is very natural to resolutely rise and struggle against the Chon Tu-hwan ring, which is responsible for today's miserable situation in South Korean society and has incurred national disasters. Nevertheless the Chon Tu-hwan ring is desperately running amok to extinguish the righteous and patriotic student struggle.

Today a hellish and frantic farce has been staged in South Korea. Of a total of 86 students from 19 universities throughout the country who were investigated, the fascist Chon Tu-hwan group has rounded up 83. Of the 83 students rounded up, it has arrested 56, of which 13 have been accused of violating the National Security Law and another 50 of violating laws on meetings and demonstrations. Coinciding with this, it is trying to punish detained students by staging a murderous trial. By setting award money of 500,000 to 1,000,000 won on 23 students, it is hellbent on an attempt to arrest them after all by visiting places which they are said to have been associated with. It is even trying to enact a new evil law, called a special law, that totally bans meetings and demonstrations on the campuses.

The Chon Tu-hwan ring is raising a commotion in publishing commentaries denouncing the Struggle Committee To Reunify the Nation, Win Democracy, and Liberate the Masses [Sammin Committee] and in issuing special directives by totally mobilizing government authorities, the Democratic Justice Party, government-patronized organizations, and the propaganda media. In order to suppress the campuses, it has repeatedly held conspiratorial conferences, such as a meeting of the Committee for State Affairs, a special meeting of the Board of Justice and Inspection, and a conference of the parents of students. It has even had the South Korean Education Federation, a government-patronized organization called the Central National Consultative Council of Parents of Students, and a bogus association of parents of students denounce the Sammin Struggle Committee and submit a letter of recommendation and petition to the government, urging it to quickly and resolutely take actions against violence and subversive activities on the campuses. Thus, it has staged a ludicrous farce. Indeed, the Chon Tu-hwan ring's fascist and tyrannic barbarities against those students who have been involved in the Sammin Struggle Committee have reached their zenith in their murderous and frantic nature -- in wickedness, cunningness, bestiality, and despotism.

What is the motive and background of such an indiscreet tyranny committed by the Chon Tu-hwan group in wake of the occupation of the American Cultural Center? The bloody tyrannic rackets kicked up by the Chon Tu-hwan ring is the outcome of a very critical and precipitous situation it is facing.

By barbarously suppressing those students who occupied the American Cultural Center and who staged a sit-in at this center, it is trying to make a breakthrough in this crisis and to totally extinguish the anti-U.S. and antigovernment fighting spirit which has burnt among the patriotic people of all walks of life, including students, like a prairie fire. This has been proved by the fact that it has branded those students who have been involved in the Sammin Struggle Committee as those who have tried to carry out a violent revolution, and has tried to punish patriotic students by terming them riotous elements. As has been shown by the act of occupying the American Cultural Center and of staging a sit-in at this center, the students, instead of seeking violence, have adopted peaceful methods as a fighting method through dialogue.

Branding these students violent and riotous elements is part of maneuvers to find an excuse for suppressing them by describing them as violent elements who lack reason and to isolate them from the people.

This is true when the description of those students involved in the Sammin Struggle Committee as elements tolerating communism and benefitting the enemy is concerned. The Chon Tu-hwan group has clamorously described the students' demand for withdrawal of U.S. forces and for national reunification as an act of benefitting the enemy by uttering the same words as those uttered by North Korea. This is an illegal and outrageous act against those students who talk about truth, resembling a dark religious trial staged in the Middle Ages. How does this differ from a religious trial conducted against Copernicus, a renowned astronomer, who lived from the end of the 15th century to the early part of the 16th century, on charges of advocating the heliocentric theory?

If the demand for the Yankees to go home is deemed as a crime as claimed by them, then those who have raised their voices of denunciation throughout the world, demanding that the Yankees leave, should be punished and branded as traitors.

It is a supreme order and the uncontrollable trend of the time to force the U.S. forces to withdraw from South Korea and to achieve national reunification. The description of the struggle of students as the negation of free democracy and of the capitalist system is a sordid and bungling trick. Because they cannot isolate those students who have been involved in the Sammin Struggle Committee solely on the grounds that the struggle of the students is at the level of an antigovernment struggle, they are trying to expand the ranks of people who hate the students solely on the grounds that they negate the present system so that they can isolate the students from the people and severely punish them.

All facts clearly show that the struggle of the students to achieve independence, democracy, and reunification cannot be regarded as a crime; that this struggle should be highly appraised as a righteous and patriotic deed; and that those who should naturally be punished in the name of the people are the Chon Tu-hwan ring.

Viewing thus, we can see that the Chon Tu-hwan ring's atrocious and outrageous fascist tyranny against the Sammin Struggle Committee is a desperate attempt to strangle the righteous anti-U.S. and antigovernment struggle of the people of all walks of life, including patriotic students, by creating an atmosphere of brute panic in society and to maintain its tottering colonial and fascist ruling system at any cost. This attempt is aimed at perpetuating the division of the people and at fulfilling a wild desire for long-term power by strangling the desire for reunification which has rapidly increased among the people of all walks of life, with the North-South dialogue as momentum and by monopolizing the dialogue for reunification. Because of this, divining the Chon Tu-hwan ring's petty wiles seeking such an aim, the people of all walks of life, including students, have continuously waged sit-in demonstration struggles against tyrannic maneuvers, exposing the unjustness of the interim results of investigation upon the announcement of these results.

On 23 July, more than 200 Yonsei University students held a campus meeting to inaugurate a do-or-die struggle committee for checking the suppression of the movement to achieve democracy and staged a campus demonstration. In a statement, the students demanded the release of detained workers and students and an end to academic disciplinary actions, and to the application of the National Security Law against the detained students after terming the act of blaming the recent labor movement and the Sammin Struggle Committee for tolerating communism as the suppression of the mass movement as represented by the force of concocting the cases of the Democratic Youth and Student General Federation and the South Korean Democratic Front in the 1970's and the cases of the Nation Democrati Union and night class in the Fifth Republic. More than 150 Songgyungwan University students held a meeting on the campus the same day to chastise the suppression of the national movement to achieve democracy and staged a campus demonstration, shouting slogans calling for the release of detained fellow students and for an end to the suppression of the campuses.

Prior to this, on 22 July, more than 250 Ewha Women's University students held a campus meeting to denounce suppression on the campuses, describing the action recently taken by the government to suppress the campuses as a clear violation of campus autonomy and as an indiscreet behavior of the present regime, which has been driven into a corner, and demanding the release of detained students and an end to the act of degrading the Sammin Struggle Committee into one tolerating communism.

Also, on 18 July, some 200 Korea University students held an emergency meeting and said, through leaflets in which they express their stand regarding the announcement of the interim report on the investigation into the Sammin Struggle Committee by the current regime that reunifying the nation, winning democracy, and liberating the masses are slogans that reflect the historical task that they will have to implement, strongly struggling to demand an end to the suppression directed against the campus and the release of imprisoned students.

The struggle against the Chon Tu-hwan ring's suppressive maneuvers against the Sammin Struggle Committee is being vigorously staged not only by the students but also by the masses from all walks of life including the parents of the students imprisoned on charges of involvement in the Sammin Struggle Committee, religious personages, artists, and lawyers.

Some 30 people -- parents of the students imprisoned on charges of involvement in the Sammin Struggle Committee -- staged a sit-in at the Council for the Promotion of Democracy office on 22 July, and presented a 5-point demand -- the release of the imprisoned students; an end to the suppression on the campus; the lifting of the ban preventing the imprisoned students from contacting outside people; an end to the labeling of the patriotic students as procommunist; and a call on the professors not to succumb to the suppression. The sit-in lasted throughout the night. Also, the masses of all walks of life, in line with such organizations as the Council of Ecumenical Youths, the Federation of the Government for Unification of the Nation and Democracy, the Committee for the Study of Joint Measures Against the Suppression of the Campus, the Defense Counsel for the Students standing trial on charges of involvement in the seizure of the American Cultural Center, and other personages, raised their voices against the announcement on the results of the investigation into the Sammin Struggle Committee and called for the release of the imprisoned students.

It is a truth testified to by history that violent suppression can never stop patriotism. The history of mankind, whether ancient or modern, and whether that of the East or the West, clearly indicates that the masses have never been defeated by the suppressors.

The crisis now facing the Chon Tu-hwan ring has reached its extreme stage. However widely it may wield banyonets, as if they were a panacea, and however crazily it may run amok with suppression, it will never be able to extricate itself from a position that has already passed the dangerous stage.

The Chon Tu-hwan ring should clearly learn a lesson from the preceding dictator, who fabricated various incidents, including the incident of the Federation of Democratic Youth and Students, to overcome the crisis during the 1970's, and then met his own self-destruction while running riot with means of suppression. The Chon ring, having learned its lesson, should act judiciously. Our youths, students, and patriotic masses from all walks of life will pass a historical judgment on the Chon Tu-hwan ring as a group of traitors and nation-sellers who sold out the nation and people to the alien aggressors, as a murderous group of gangsters who massacred thousands of innocent residents in Kwangju, as a vampire which has fattened itself on the popular masses' blood and flesh, and as an unforgivable traitor who, while thwarting the unanimous aspirations of the entire people, is scheming to perpetuate national division, and they will punish it without fail.

The struggle being waged by our youths and students is the most patriotic and just struggle correctly reflecting the life-and-death interests of our people. For this reason, supporting and encouraging their sacred struggle should be accepted by all the people as a most valuable duty to be performed.

Our people should support and advocate, through all forms, the righteous struggle waged by the students and youths, who are their children, brothers, and disciples, and extend firm solidarity to them. At the same time, they should protect [words indistinct] of the youths and students from the fascist hangmen's white terrorism and actively encourage them in their struggle. They also should struggle to the end to have the imprisoned workers and students set free, to put an end to the suppression of the campus, and to have the punishment imposed on the students by the school authorities revoked.

U.S. OFFER OF MISSILE COMPONENTS TO SOUTH DECRIED

SK010956 Pyongyang Domestic Service in Korean 0953 GMT 29 Jul 85

[NODONG SINMUN 29 July commentary: "Aiming at Offensive Operations"]

[Text] The United States is busy making preparations for war, while talking about peace on the Korean peninsula only in words. Its every act is linked with war. According to foreign news reports, the U.S. Defense Department on 25 July approved the plan to offer missile components worth \$53 million to modernize the Hawk missile units of the South Korean puppet clique. This is for the purpose of beefing up the South Korean puppet armed forces and making preparations for a new Korean war.

At the 17th annual security consultative meeting and the 7th military commission meeting held some time ago between the United States and the South Korean puppets, under the pretext of making preparations for a so-called decisive short-term war against us, they secretly huddled to step up the strengthening of the combat capabilities of the U.S. troops in South Korea and, as one of the measures for this objective, studied a plan to operate (?surface-to-air) missiles in South Korea. In conformity with this, the United States is trying to offer Hawk missile components to the puppets in large quantities.

The U.S. imperialists' feverish beefing up of the South Korean puppet armed forces is for the purpose of carrying out the so-called offensive operations for northward invasion. Along with the U.S. troops, more than 80 to 90 percent of the puppet troops are deployed forward in the areas close to the Military Demarcation Line for offensive operations, and military exercises reminiscent of actual warfare are constantly staged.

At the same time, maneuvers for a U.S.-Japan-South Korea triangular military alliance are being accelerated for operations, and military exercises are constantly staged between them.

What is particularly noteworthy are the facts that the U.S. Air Force in South Korea and the Japan's Air Self-Defense Force are planning to stage joint exercises in the skies above the East Sea of our country, and the warships of the puppets and Japan's naval warships are planning to mutually visit the ports of the opposite side.

All these facts show that U.S.-Japan-South Korea triangular military operational exercises will now be undisguisedly staged, the South Korean puppet clique is running in front in carrying out offensive operations, and Japan's armed forces are planning to get deeply involved in these operations.

The United States is offering homicidal weapons to the puppets for the purpose of instigating them to war. The threat of southward invasion from the North raved about by the U.S. imperialists is nothing more than sophistry to conceal and justify their dangerous war preparation maneuvers.

The situation on the Korean peninsula is being further aggravated with each passing day due to the U.S. imperialists' new war preparation maneuvers. This is adversely affecting the North-South dialogue for peace on the Korean peninsula and the alleviation of tension.

The United States must do away with its war preparation maneuvers, must not do anything against peace and peaceful reunification, and must withdraw the U.S. forces as well as its nuclear and chemical weapons and other lethal means from South Korea.

O CHIN-U SENDS MESSAGE TO PRC DEFENSE MINISTER

SK010417 Pyongyang KCNA in English 0407 GMT 1 Aug 85

[Text] Pyongyang August 1 (KCNA) -- Vice-Minister O Chin-u, minister of People's Armed Forces, sent a message of greetings to Zhang Aiping, minister of national defence of the People's Republic of China, on the occasion of the 58th anniversary of the founding of the Chinese People's Liberation Army [CPLA].

O Chin-u in his message praised the shining feats performed by the CPLA in the history of the Chinese people's struggle for class and national liberation and sincerely hoped for new successes in the work to implement the decisions of the 12th National Congress of the Communist Party of China and modernize national defense.

O CHIN-U GREETES SYRIAN DEFENSE MINISTER

SK010413 Pyongyang KCNA in English 0402 GMT 1 Aug 85

[Text] Pyongyang August 1 (KCNA) -- Vice-Marshal O Chin-u, minister of People's Armed Forces, sent a message of greetings to Lt. General Mustafa Talas, deputy commander-in-chief of Army and Armed Forces, deputy prime minister and minister of defense of the Syrian Arab Republic, on the occasion of the 39th anniversary of the founding of the Syrian Arab Army.

In his message O Chin-u expressed the belief that the friendly and cooperative relations forged between the peoples and armies of the two countries in the struggle against the common enemy would grow stronger and develop.

CHON MESSAGE TO DENG SUGGESTS IMPROVED PRC TIES

OW010853 Tokyo KYODO in English 0841 GMT 1 Aug 85

[Excerpt] Beidaihe, China, Aug 1 KYODO -- South Korea wants to improve relations with China and hopes Beijing will bring its influence to bear on peace-keeping in the Korean peninsula, a visiting Japanese politician said Thursday. The South Korean position was contained in a message to China from South Korean President Chon Tu-hwan. The message was conveyed by Yoshikatsu Takeiri, chairman of Japan's Komeito Party, in a meeting with Chinese senior leader Deng Xiaoping in this summer resort town for China's top leaders, Takeiri's aides said. Takeiri is currently on a visit to China following a trip to South Korea where he had a meeting with the South Korean president.

Chon's message said South Korea places confidence in the current Chinese leadership and hopes to promote exchanges with China in all non-political fields. Chon also told the Chinese leaders that South Korea hopes China will play a role in preventing war in the Korean peninsula, saying that his government is making every effort to keep peace with North Korea. China has diplomatic relations with North Korea, but not with South Korea.

Deng was quoted as telling Takeiri that South Korea should first agree to take part in three-way peace talks as proposed by North Korea. The key to better relations lies in whether there is any progress in the dialogue between North and South Korea, Deng said, noting that China supports plans to hold the three-way talks, which would also involve the United States as the third party.

On security issues in the Korean peninsula, Deng said tension in the region has eased off but it will take time for China to improve ties with South Korea. Deng also indicated that China is ready to take part in both the 1986 Asian Games in Seoul and the 1988 Seoul Olympic Games, saying that China will "proceed in accordance with the regulations" set by the Asian Games and the Olympiad.

PRC FOREIGN MINISTER'S REMARKS ON KOREA CITED

SK010145 Seoul THE KOREA HERALD in English 1 Aug 85 p 1

[Text] Tokyo (YONHAP) -- Chinese Foreign Minister Wu Xueqian said Tuesday he saw signs of tensions easing on the Korean peninsula, and that China hopes all neighboring nations concerned will make every possible effort to help improve the overall situation on the peninsula. Wu, on a visit to Japan for a Sino-Japanese ministerial conference, expressed the opinion in discussions on international affairs in the first-day session of the conference at the Japanese Foreign Ministry, but didn't mention what he meant by neighboring nations concerned. The Japanese press interpreted his remarks as a statement of China's position that the United States, Japan and the Soviet Union should cooperate actively to foster a more favorable climate for dialogue on the Korean peninsula.

IOC REJECTS NORTH PROPOSAL TO COHOST '88 OLYMPIAD

SK010741 Seoul YONHAP in English 0723 GMT 1 Aug 85

[Text] Seoul, Aug. 1 (OANA-YONHAP) -- Pyongyang's proposal that South and North Korea co-host the 1988 Summer Olympics has been interpreted here as an attempt to hamper the games, North Korea watchers said Thursday.

In a statement from Pyongyang radio monitored in Tokyo, North Korean Vice Premier Chong Chun-ki proposed Tuesday that the two Koreas divide the Olympic events equally between Seoul and Pyongyang, and that they form a single unified team for the games. Since Seoul was chosen as the venue for the 24th Olympics in 1981, North Korea has opposed the selection on the pretext of "political instability" in the South. Pyongyang demanded that the site be relocated to avoid boycotts by countries that do not recognize South Korea.

With the approach of the 1988 Olympics, Pyongyang has become frustrated and impatient over Seoul's preparations and the confirmation by the International Olympic Committee (IOC) that it will not change the planned site of the Games from Seoul. North Korea envies South Korea for its miraculous economic growth and for the upgrading of its position in international arenas, the watchers said. And since several major communist countries, including the Soviet Union, East Germany and China, have expressed their intentions to participate in the Olympiad, Pyongyang has felt itself driven into a corner. Pyongyang also feels nervous about the fact that the Olympiad will give South Korea momentum for boosting its international status in various fields, they said. It remembers well that Japan promoted its international standing significantly through its hosting of the Tokyo Olympics in 1964. Therefore, North Korea, they said, is doing everything possible to prevent the Seoul Olympiad from being a success. Despite Pyongyang's desperate efforts, the venue cannot be changed, and its suggestion that Seoul and Pyongyang co-host the 1988 Games will never be accepted, international sports officials indicated.

Michele Verdier, IOC spokesman, pointed out that the South Korean National Olympic Committee was given the right to stage the Games under the Olympic Charter, which specifies that all events be held in a territory over which a National Olympic Committee (NOC) has jurisdiction. If the Games were to be shared with another NOC, she explained, the IOC rules would have to be changed, and that would require a two-thirds majority vote by the 91-member IOC. Verdier also said that for the IOC to change the charter for only one nation, North Korea, would not be a simple matter.

IOC President Juan Antonio Samaranch reportedly said Tuesday that he underscores his commitment to respect the Olympic Charter and his desire to avoid violations of the charter. He rejected the idea that North Korea be allowed to organize some of the Olympic events.

In conclusion, North Korea's proposal is destined to fade away without gaining any serious attention.

GOVERNMENT SOURCE ON ACTION AGAINST KIM TAE-CHUNG

SK011132 Seoul CHUNGANG ILBO in Korean 1 Aug 85 p 1

[Text] In connection with a warning measure against Kim Tae-chung and Kim Sang-hyon, on 1 August a government source said: "The public security authorities take responsibility for preventing crimes and protecting the people. In the event that the perpetration of a criminal act is obviously anticipated, it is natural to give precedence to taking measures to prevent a crime rather than to punishing one after a crime is committed."

Stating that the law on political parties stipulates that when those whose punishment is suspended take part in political party activities, they shall be subjected to less than 3 years of imprisonment, the source made clear: "Accordingly, on the morning of 31 July, public security authorities advised Kim not to violate the law and took a necessary warning measure in accordance with the Clause II of the regulation on the observation of those whose punishment has been suspended."

Also, the source added: "Kim Tae-chung and Kim Sang-hyon acknowledged the fact that participating in a function of a political party is a violation of the law and promised that they will not attend the function. However, free visits to their houses and contacts with them are allowed."

DJP POSTS RESHUFFLED; NEW UNIFICATION MINISTER NAMED

SK010345 Seoul YONHAP in English 0301 GMT 1 Aug 85

[Text] Seoul, Aug. 1 (YONHAP) -- In a partial reshuffle of South Korea's ruling Democratic Justice Party (DJP), Korean President Chon Tu-hwan Thursday appointed Rep. Chong Sun-tok as secretary general of the party. The 50-year old Chong replaces Rep. Yi Han-tong.

In addition, Chon, who officially heads the DJP, named Unification Minister Rep. Yi Se-ki as the party's floor leader, replacing Rep. Yi Chong-chan. Rep. Pak Tong-chin of the DJP was appointed as unification minister, replacing Yi Se-ki. The 63-year old Pak served as foreign minister from 1975-80.

Rep. No Tae-u, DJP chairman, said that the establishment of a new party line-up before the opening on Thursday of the national convention of the main opposition New Korea Democratic Party (NKDP) was a natural decision. DJP spokesman, Rep. Sim Myong-po, said that Chon extended his appreciation to Reps. Yi Chong-chan and Yi Han-tong for their efforts to make the Feb. 12 general election a success and to establish a new national image.

In a sweeping post-election reshuffle of the ruling party, Chon appointed No, a key architect of the current government, as chairman of the DJP, on Feb. 23. In the Feb. 23 shake-up, Chon retained Rep. Yi Han-tong as secretary general and Rep. Yi Chong-chan as floor leader. Yi Chong-chan, who played a major role in founding the ruling party, has served as floor leader since the 11th-term National Assembly was inaugurated in March 1981. Yi Han-tong has served as secretary general since the DJP effected another party reshuffle on June 25, 1984.

A DJP political source said Thursday that, through the most recent shake-up, the DJP hopes to deal with the political developments that are expected to result from Thursday's NKDP national convention and the ensuing changes in NKDP leadership. The reshuffle also predicates the formation of a new party line-up for the DJP chairman, the source added.

YI MIN-U REELECTED PRESIDENT OF OPPOSITION NKDP

SK010823 Seoul YONHAP in English 0813 GMT 1 Aug 85

[Text] Seoul, Aug 1 (YONHAP) -- Yi Min-u was re-elected as president of South Korea's main opposition New Korea Democratic Party (NKDP) Thursday in the party's national convention here. He will lead the NKDP for the next two years. Yi beat Kim Chae-kwang by a vote of 471 to 354. A total of 829 delegates cast their ballots. The incumbent party leader had the support of the Council for the Promotion of Democracy (CPD), which has significant influence over the NKDP. Kim was backed by non-CPD factions within the NKDP. CPD leaders originally expected Yi to obtain more than 500 votes.

The NKDP, which was established last January, became the major opposition party after the Feb. 12 parliamentary elections. The party holds 10 of the 276 seats in the National Assembly.

Upon being re-elected, Yi told the delegates that the DP's struggle to revise the nation's Constitution "should be started at this moment." "We will carry out the struggle in a peaceful manner, in accordance with the principle of parliamentary democracy," he added. "However, we may have to seek another way to accomplish our goal if the ruling party blocks the debate and discussion on the issue in the National Assembly," the NKDP president said. The primary goal of the party is to revise the Constitution, he said, but it should also strive to improve the standard of living of the people.

The NKDP delegates also elected three of the party's six vice presidents at the national convention, which is being held Aug. 1-2 in the annex of the Sejong Cultural Center here. The three vice presidential candidates elected in the primary balloting were Yu Chong-chae, Yang Sun-chik and Choe Hyong-u. All three were supported by the CPD. Five candidates, including Yi Ki-taek, are competing for the remaining three vice presidential positions.

Discloses Political Platform

SK010131 Seoul THE KOREA TIMES in English 1 Aug 85 p 1

[Text] New Korea Democratic Party president Rep. Yi Min-u, who is almost assured of reelection in a national convention today, emphasized yesterday that the party would pour out all its energy on the revision of the Constitution for the direct election of the president.

In a press conference intended to disclose his political pledges, the 70 year-old opposition leader said, "I will form an intra-party committee to activate debates regarding the constitutional amendment shortly after the national convention." He said he would hold public hearings soon to garner views on the constitutional change. In the forthcoming regular National Assembly session to open in September, the party will push ahead with the establishment of an inter-party committee to deal with the constitutional revision, he said.

Yi said he was sure that the NDP [New Korea Democratic Party] would be "born again" as the force to seize power through a peaceful transfer of power on the occasion of the national convention. "This extra national convention, I believe, should be a forum which will further solidify our unity in the struggle for democracy," he went on. The NDP, which was hastily founded in January, about one month before the last general elections, replaced the ten moderate opposition Democratic Korea Party as the first opposition force in the elections.

He further stressed that he would make efforts "to set the schedule for democratization, to revise the Constitution intended for peaceful power change, and to realize the three-way meeting involving the President, Kim Tae-chung and Kim Yong-sam." The solution to the current issues, including campus and labor problems, and the most important issue of democratization would be pushed by him "with patience and peaceful means within the parliament," he went on. Stressing that the realization of democratization would depend on "consolidated power of the entire people," he said that the NDP would conduct the struggle for democratization "in close cooperation with all democratic forces."

Asked about the future relationship between the political party and the Council for the Promotion of Democracy cochaired by Kim Tae-chung and Kim Yong-sam, he said that the two organs have the identical purpose of democratization. Out of the NDP's 102 lawmakers, 55 are members of the CPD, a dissident group which has established a nation-wide network.

TWO MINISTERS, VICE MINISTER RESIGN FROM ASSEMBLY

SK011010 Seoul YONHAP in English 0940 GMT 1 Aug 85

[Text] Seoul, August 1 (YONHAP) -- Three South Korean legislators who resigned Thursday from the National Assembly will be replaced by members of their own party -- the ruling Democratic Justice Party (DJP).

In accordance with Korea's National Assembly election law, three national constituency reserve candidates -- Yi Chin, former assistant to political affairs minister, Chong Ho-gun, chief of the Faculty Office at the DJP's Central Political Training Institute; and Kim Chong-wi, vice spokesman for the party -- will fill the vacant legislative positions.

On Thursday, Justice Minister Kim Song-ki, Agriculture and Fisheries Minister Hwang In-song, and Vice Economic Planning Minister Mun Hi-kap submitted letters of resignation to the National Assembly. They served concurrently as members of the assembly.

Under the election law, when a legislator with national constituency resigns, he will be automatically succeeded by one of national constituency reserve candidates to fill the vacancy. The existing electoral system calls for the election of 184 lawmakers by popular vote. They represent two-thirds of the 276 seats in the assembly. Under the system, the remaining 92 seats are distributed proportionally among the political parties. Sixty-one (two-thirds) of the 92 proportional seats are given to the ruling party.

FIVE SENIOR TRADE UNION OFFICIALS DISMISSED

SK010229 Seoul THE KOREA HERALD in English 1 Aug 85 p 8

[Text] The Federation of Korean Trade Unions (FKTU) yesterday dismissed five senior officials. The five are Yi Song-kyun, vice secretary general, Kim Kum-su, chief of the policy research department, Yu Chong-sol, chief of the survey department, Kim Kun-hwa, chief of the women's affairs department and Pak Hong-sop, chief of the organization department.

The official reason for the dismissal of the five officials was not available. However, it was learned that they were allegedly dismissed in connection with recent disputes in FKTY and the occupation of the FKTU president's room by workers of an electric company. They were said to have criticized FKTU's official stand on labor-management disputes. An informed source said another reason may be the labor federation's attempt to trim its manpower to help alleviate financial difficulties.

DJP SUPPORTS GOVERNMENT PLAN ON CAMPUS STABILITY

SK010127 Seoul THE KOREA TIMES in English 1 Aug 85 p 1

[Text] The ruling Democratic Justice Party has concluded that enactment of a new law to ensure campus stabilization is necessary as proposed by the government, informed party sources said yesterday. Contents of the envisioned law and the timing of its legislation are to be decided on through consultations between the government and the party, the sources said.

When a government's plan to legislate "campus stabilization law" to help stabilize campus was suggested last week, some leaders of the DJP showed negative reaction initially, and opposition parties resolved to resist it.

If the government and the party agree to enact the new statute before the second semester as hoped by the government, a special National Assembly should be held this month.

The opposition parties have made it clear that they would oppose the August session for the passage of the law bill. The DJP, therefore, has no way but to call the session "unilaterally" to pass the bill.

The DJP's policy on the legislative plan of the government was confirmed yesterday in rounds of meetings of leading party officials on the basis of "scrutiny of the plan by working level officials of the party," the source said. The working-level officials are Reps. Hyon Hong-chu, director of the policy coordination office; Yi Chi-ho, chairman of Kyongsang-pukto branch of the party; and Kim Yong-chak, vice director of the National Research Institute. They held a lengthy meeting to examine the legislative plan at a downtown hotel after leading officials of the party, including chairman Rep. No Tae-u, held the day's first meeting there. Leading officials held a meeting at No's office for an hour from 7 p.m. to finalize the party policy, the source said.

Earlier in the day, Rep. No told reporters, "The government and the party agreed that there must be an institutional device to help stabilize campus." He said that the institutional device would place top priority on "guiding students in order to minimize criminal sanctions on them." He was referring to the indictment of some students for their radical actions on and outside campus. The government and the party will integrate opinions from all walks of life, including school authorities and parents, to work out the institutional device, he said. He stressed, "To leave the current campus situation as it is will be committing a grave sin," he said. "It is quite natural for the ruling party to rack its brain to get rid of the people's uneasiness about the current campus situation," he emphasized.

He recalled the fact that the results of the prosecution's investigation of the "Samminu," a radical students' organization, and the USIS library seizure incident had greatly shocked the people and made them feel uneasy. He also said that the people were required to make concerted efforts to develop the nation by stabilizing campus and the party hoped they would suggest, good ideas, if any, for the institutional device. In particular, the DJP chairman served a stern warning against forces attempting to impede national stabilization with national big events such as '86 Asian Games and '88 Olympics ahead.

PARENTS DEMAND JUSTICE FOR USIS DEFENDANTS

SK010221 Seoul THE KOREA HERALD in English 1 Aug 85 p 8

[Text] The parents of 20 college students now being tried for their seizure of the USIS library last May yesterday demanded that their children receive a "fair trial to unearth the truth" about the incident. The parents pledged that they will behave themselves in the courtroom and will observe the trial proceedings with respect.

They made these and other remarks in a letter of petition delivered to Judge Yi Chae-hun, who heads a three-member panel trying the defendants. The petition was delivered by four of the parents who said they represented the parents of 20 of the defendants. They included Ham Chong-sok, father of Ham Un-kyong, 22, who is chairman of Seoul National University's chapter of the activist Sammin Struggle Committee.

The parents said they are pained to learn that their children are being billed as sympathetic to Communists and leftist ideology.

PARTY CONGRESS TASKS; KAREN INSURGENCY VIEWED

BK310918 Rangoon WORKING PEOPLE'S DAILY in English 25 Jul 85 p 5

[Article by Sau Pyi Soe: "Future Tasks of Party Congress and Elimination of Destructive Elements"]

[Text] Each and every nation, in order to protect and safeguard national sovereignty and for perpetuity of the state, adopts and implements state security and national defence programmes. Particularly the developing nations, which struggled under the colonial yoke and regained freedom, have laid down state security and national defence programmes after serious deliberations. The Union of Burma, from the very onset of waging a struggle to liberate itself from colonialism, worked out national defence strategies in anticipation of long-term national interests so that the state's independence once gained would not be forfeited again.

In accordance with this objective, just as the state has taken the responsibility to enable each and every citizen to enjoy citizens' rights, right of freedom and the right to work in full according to the provisions of the State Constitution, so also every citizen is under an obligation to protect and safeguard the independence, the sovereignty and territorial integrity of the state. This is a noble duty as clearly stated in Article 170 of the Constitution of the Socialist Republic of the Union of Burma --

Every citizen shall be under a duty to protect and safeguard the independence, sovereignty and territorial integrity of the Socialist Republic of the Union of Burma. This is a noble duty.

The Constitution of the Socialist Republic of the Union of Burma is the outcome of the history of development and changes experienced by the national working people. Due to this Constitution, development in the state's political, economic and social sectors have become more and more significant.

Leftist and rightist destructive elements and other destructionists with narrow outlooks, who came into existence together with independence and who could not bear to accept the significant progress made, resorted to various means to hinder and destroy the socialist democratic state which is being built with blood, sweat and perseverance of the working people. The national working people, under the leadership and guidance of the party, have the responsibility to join hands with the Tatmadawmen [Armed Forces personnel] and to constantly strive with revolutionary vigilance to expose and eliminate internal and external destructionists.

In executing this work, it is necessary to do so in accordance with the future programmes on political sector as laid down by the fourth party congress. The future programmes are --

-- to continue to work toward elimination of insurgent destructive elements by the strength of the people;

-- to work for enabling the participation of the entire people in the defence and security of the state.

Due to the joint efforts of the national working people and the Pyithu Tatmadaw [people's armed forces], the destructive elements are disintegrating and are having to seek refuge and hiding in remote border regions constantly on the run with the result that the place for them to hide is becoming more and more scarce.

Due to the disclosures made by those who returned to the legal fold, the wrong ideology and concepts of the destructive elements, their destructive acts, their social offences and state of disintegration are being exposed and becoming more and more apparent day by day.

The Pyithu Tatmadaw, with the enthusiastic support and encouragement given by the working people, was able to effectively prevent the dangers posed by the destructive acts of the insurgents. As an example, the 5,356-foot high Hawtaya Hill, also known as Kalamataung on the Dawna Range which was the smuggling route for bringing in contraband from Thailand and also served as the transit camp for smugglers of blackmarket goods, the foothold for KNUS [Karen National Union] who using arms to further their economic interests and which was also a black area. [sentence as published] After an intensive battle in October 1984 lasting 14 days, the Pyit'u Tatmadaw was able to establish a firm stronghold on Nawtaya Hill.

A total of 611 hardcore party members of six wards in Pa-an Township, under the directives of the Karen State Party Regional Committee, carrying food supplies for 10,000 Tatmadawmen, started climbing the Nawtaya Hill early in the morning. The Tatmadawmen encamped at Nawtaya Camp on Dawna Range were waging a just war in defense of the state. As the slope of the mountain was rather steep, climbing was difficult and rough and the weather was very cold, the volunteers, led by the leading party, started arriving in groups at the peak beginning 5 pm and systematically handed over the food supplies. The labour contribution work in carrying food supplies was completed in one week.

In a similar manner, physical and moral support are being given to the Tatmadawmen in the form of gifts and cash donations made by individuals as well as various mass and class organizations. Due to the assistance and informations on insurgents given by the working people and the efforts made by the Tatmadaw working hand in hand with the working people to achieve success in waging a just war, the insurgents are getting demoralized, discarding the wrong concepts of their groups and their destructive acts and are returning to the legal fold and begging for the forgiveness of the working people for their past misdeeds and these news reports appear frequently in the daily newspapers.

These are the results of implementing the future programmes on security and defense which were laid down by the fourth party congress.

The attempts made to wrest state power by committing atrocities and resorting to armed insurgency with foreign assistance are acts to impede the peaceful progress and development of the working people and to oppress and destroy the democratic rights of the people. The acts of the destructive elements are leading to the path of losing independence. The entire mass of the working people, keeping the socialist goal in sight, should join hands with the Pyithu Tatmadaw, continuing to make sacrifices, to preserve the independence, which was won after more than 60 years of struggle by the entire working people with full national spirit and in which many sacrificed their life and blood.

The future programmes on political sector laid down by the fourth party congress have been successfully implemented jointly by the people and the Tatmadawmen working hand in hand.

Based on the successful implementation of the future programmes on political sector laid down by the fourth party congress, the fifth party congress, which will lay down more significant future tasks on security and defense, is heartily welcomed.

HENG SAMRIN MESSAGE ON DISABLED VETERANS DAY

BK010357 Phnom Penh Domestic Service in Cambodian 1300 GMT 31 Jul 85

[Message from Heng Samrin, general secretary of the KPRP Central Committee, chairman of the PRK Council of State, and supreme commander of the KPRAF, to families of fallen combatants, war invalids, and wounded combatants on the occasion of Disabled Veterans Day, 31 July--recorded]

[Text] Dear families of the fallen combatants; dear disabled, wounded, and sick cadres and combatants: Every year, our party and state regard 31 July as Disabled Veterans Day when we commemorate the noble deeds of the combatants who died or become disabled in the cause of national defense. On this occasion, on behalf of our party, government, and all people, I would like to extend warmest and sincerest regards to all families of the fallen combatants; disabled, wounded, and sick cadres and combatants; and the families of all combatants throughout the country. With sublime patriotism and true love for the people, our brothers and sisters have sacrificed flesh and blood in the valiant struggle against the French colonialists, U.S. imperialists, and the genocidal Pol Pot clique and other Cambodian reactionaries -- cheap lackeys of the Beijing hegemonists-expansionists, thus permanently seizing independence and freedom for our fatherland and people. During the 1984-85 dry-season campaign, you fought valiantly and actively and won great victories for our fatherland and people. Some of our brothers and sisters valiantly sacrificed their lives under our national flag in the defense of our beloved Cambodian fatherland. With a spirit of genuine patriotism and a noble spirit of proletarian internationalism, our brothers and sisters have always cooperated closely and stood shoulder-to-shoulder with the fraternal Vietnamese Army volunteers in the fight to crush the common enemies of our three countries' revolution. This is a source of great pride to us.

Currently, the enemies are still trying to destroy our revolution. For this reason, the entire party, Army, and people must unite and make every effort to expand these victories, strive to surmount all obstacles, and continue to attack the enemies in order to inflict total defeat on them. All the disabled, wounded, and sick combatants must strive to expand the revolutionary ethics and good traditions of our Revolutionary Army. To enhance your role as the valiant revolutionary combatants, you must set good examples in observing discipline, fighting valiantly, striving to surmount all obstacles, and carrying out all tasks well, thus further contributing to realizing the revolutionary cause of our nation and people.

Those families of combatants whose beloved husbands and children have sacrificed their lives for the cause of the fatherland should enhance their vanguard role in the revolutionary movement in their localities, thus proving themselves worthy of being the model revolutionary families loved and trusted by the party and people. Our party, state, and people will always remember your noble deeds.

The party organizations, state authorities, and mass organizations at all levels must pay attention to providing good care -- physically, materially, and mentally -- for families of the fallen combatants and the disabled, wounded, and sick combatants by implementing well the rear policy for soldiers to contribute to the cause of building strong Armed Forces and ensuring the firm defense of our fatherland and security for our people, thus creating favorable conditions for them to build a new prosperous and happy life.

I wish all families of the fallen combatants good health and powerful strength. I wish all the invalids and the hospitalized wounded and sick combatants quick recovery. I wish all compatriots and cadres and male and female combatants of the Armed Forces throughout the country new and greater achievements in the cause of defending and building our beloved Cambodian fatherland.

CHEA SIM GREETES CHAIRMAN OF POLISH PARLIAMENT

BK260810 Phnom Penh SPK in French 0408 GMT 26 Jul 85

[Text] Phnom Penh, 26 Jul (SPK) -- Chea Sim, chairman of PRK National Assembly, sent his warm greetings in a message to Stanislaw Gucwa, chairman of the parliament of the Polish People's Republic on the occasion of his country's 41st national day. The message says:

During the past 41 years, under the clear-sighted leadership of the Polish United Workers Party, the heroic Polish people struggled vigorously, overcame very complex difficulties, and achieved remarkable social, political, and economic changes. Taking this happy opportunity, we express our profound gratitude to the fraternal Polish party, government, and people who have helped the Cambodian people spiritually and materially in the construction of socialism. We are convinced that the relations of friendship, solidarity, and multifaceted cooperation between our two countries will be strengthened and developed steadily in the common interest of our two peoples, for the strengthening of the socialist community and the safeguard of peace and security in the world.

NORODOM RANARITH PAYS VISIT TO INTERIOR

BK010157 Bangkok BANGKOK POST in English 1 Aug 85 p 5

[Text] For the first time since the Kampuchean conflict started, Prince Norodom Ranarith, the commander-in-chief of the National Sihanoukist Army [ANS] recently visited Khmer villages deep inside the war-torn country, the BANGKOK POST learned yesterday.

Prince Ranarith, in an interview with the POST, said the trip lasted four days in which he inspected an ANS base and visited three villages.

The prince travelled with a fairly light escort of about 40 men, accompanied by his brother Prince Chakrapong and by ANS chief of Operations Gen Toan Chay.

On one village in Oddar Meanchay Province, several hundred Khmers greeted the young prince who distributed clothes and food.

Two Kampuchean doctors, travelling with the group, provided medical assistance to the villagers.

"The sanitary situation is very bad," said Prince Ranarith a few hours after his return from Kampuchea.

At one village the first person to greet the Prince upon his arrival was the village administrator who a few years ago had been promoted to his present position by the Heng Samrin regime.

The village, which comprises 1,000 inhabitants, has a permanent militia of pro-Sihanoukist soldiers.

Once in a while, units of the People's Republic of Kampuchea Armed Forces (The "Heng Samrin Army") have to go through the village.

As the local administrator explained, the PRK soldiers always send a message first, to inform the militia about their arrival, giving the Sihanoukists time to withdraw for a few hours or days, the prince said.

"Even those PRK units are favourable to us and do not want to create any problems for other Khmers," said Prince Ranarith.

The precise location of the villages visited during four days by Prince Ranarith being kept secret for obvious security reasons.

One of them is not very far from a Vietnamese base. They are about 30-40 km from the Thai border.

A small group of Western journalists who also visited one of the villages a few days ago was surprised to be personally greeted there by the prince who told them: "As you can see the Vietnamese have been unable to close the border."

At the end of January 1973, Prince Sihanouk and his wife, Princess Monique, spent several weeks inside Kampuchea, in the area of Phnum Kulen.

The trip was made possible at that time by North Vietnam and was seen as a major propaganda coup.

It proved to the world that the Royal Government of National Unity, the GRUNK was more than just a government in exile.

Prince Ranarith's visit to villagers inside Kampuchea, while shorter, should have the same effect, several observers commented.

It proves that the resistance is alive and well, that it does control territory inside the country.

It also demonstrates the clear support received by the nationalists from the local population.

In a speech to the inhabitants of the larger village, Prince Ranarith reminded them that under Prince Sihanouk they enjoyed peace and freedom.

It told the people that Sihanoukist soldiers came not just with weapons, but with medicine.

Informed of the trip inside Kampuchea, one western diplomat told the POST.

VODK COMMENTARY EYES POLICY OF PEACE, NEUTRALITY

BK260653 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 25 Jul 85

[Station commentary: "Cambodia Will Further Adhere to a Policy of Independence, Peace, Neutrality, and Nonalignment"]

[Text] Democratic Kampuchea has repeatedly affirmed that following the withdrawal of all Vietnamese aggressor troops, Cambodia will further adhere to a policy of independence, peace, neutrality, and nonalignment. Cambodia will make contacts with all countries near and far throughout the world equally and on the basis of the five principles of peaceful coexistence. Cambodia will not allow any country to build military bases and station forces in its territory. Cambodia will be very happy if the United Nations and world community guarantee its neutrality.

In the past, Democratic Kampuchea pursued this policy of independence, peace, neutrality, and nonalignment. Cambodia is a small country with a small, poor population.

Cambodia has neither the desire nor the ability to threaten or commit aggression against any country. Cambodia desires only to coexist peacefully and happily with all countries in the world, especially its neighbors, so that it will have time to build itself and improve the people's standard of living. This has always been the desire and aspiration of Democratic Kampuchea and all Cambodian people.

At the end of 1978, however, after signing a military treaty with the international Soviet expansionists, the Hanoi authorities sent hundreds of thousands of troops to invade Cambodia in a most barbarous and truculent manner and in gross violation of international law, the UN Charter, and nonaligned principles. In such a situation, the Cambodian nation and people had no alternative but to rise up jointly and fight the Vietnamese aggressors to defend the Cambodian nation and race.

During the past several years, despite the fact that the United Nations and the world community have continued to call for the withdrawal of all Vietnamese aggressor troops from Cambodia -- thus allowing the Cambodian people to enjoy the right to self-determination and enabling Cambodia to remain an independent, peaceful, neutral, and nonaligned country posing no threat to its neighbors, including Vietnam -- the Hanoi authorities have concocted one pretext after another in an attempt to avoid withdrawing their troops from Cambodia in accordance with the UN resolutions and the world community's demand. On the contrary, they have continued to send large numbers of troops and tanks and quantities of artillery and war material to Cambodia to intensify their operations against and massacre of the Cambodian people.

This clearly shows it was not because Vietnam was afraid of Democratic Kampuchea's threat that it committed aggression against Cambodia, as it used to claim. In fact, it did this because it wants to annex Cambodia to set up an Indochinese Federation as a springboard for its further advance according to its regional expansion strategy and its Soviet boss' global expansion strategy in this region.

This is the real cause for Vietnam's sending hundreds of thousands of troops to invade and occupy Cambodia; there is no other. Therefore, only under additional pressure from all segments of the world community will the Hanoi aggressors be compelled to abandon their aggressive, expansionist design against this region by withdrawing their aggressor troops totally and unconditionally from Cambodia, thus allowing the Cambodian people to decide their own destiny. Only through the total and unconditional withdrawal of Vietnamese aggressor troops from Cambodia will Cambodia again become an independent, peaceful, neutral, and nonaligned country.

Democratic Kampuchea would like to reaffirm that after the Hanoi authorities withdraw all their aggressor troops from Cambodia, Cambodia will further adhere to a policy of independence, peace, neutrality, and nonalignment. Democratic Kampuchea welcomes the United Nations' and world community's guarantee of its policy of independence, peace, neutrality, and nonalignment.

TALKS BEGIN WITH LAO FOREIGN MINISTRY OFFICIALS

BK010139 Bangkok THE NATION in English 1 Aug 85 pp 1, 2

[Text] Nong Khai -- Laos yesterday urged Thailand to lift the ban on exports of strategic goods as a step towards normalization to bilateral relationship. Vientiane also suggested that the border dispute over three villages be solved at a national level as against the Thai call for the settlement of the problem through existing local channels, informed sources said.

The Lao stands were spelt out during a formal 45-minute meeting between a team of senior Thai officials led by Director General of the International Organizations Department Nit Phibunsongkhram and senior officials of the Lao Foreign Ministry.

During the meeting, the Thai team also handed over a personal letter from Foreign Minister Sitthi Sawetsila to his Laotian counterpart, Deputy Prime Minister and Foreign Minister Phoun Sipaseut. The Lao side is expected to give a reply to the letter today or tomorrow calling for a halt to polemics against Thai leadership and allusion to third countries in Laos attacks over bilateral conflicts.

Sitthi also promises that Thailand will continue to purchase electricity generated from Nam Ngun Dam in Laos.

The sources said in referring to the ban over 273 items of strategic goods, the Lao side singled out asphalt products which Laos needs badly for the construction of infrastructure to enable economic development. The reference to the particular item has led to speculations that perhaps the call for the lifting of the ban may be negotiable on a case-by-case basis.

The Lao side was represented by Deputy Foreign Minister Khamphai Boupha and another deputy foreign minister identified as Soulivong.

Nit stressed in the course of the exploratory talks that negotiations over border conflicts, including the opposing claims over three villages between Uttaradit and Sayaboury should be conducted at the local level because local authorities had a deeper understanding on problems on both sides of the Mekong River. However, the Lao deputy ministers contended that it should be taken up at a national level.

The director general also emphasized the importance of convincing the Thai people of the sincerity on the part of Vientiane to settle bilateral problems.

He also said that local Thai authorities had been instructed to be cooperative with their Laotian counterparts to solve bilateral problems.

The Thai team also pointed out that during the past year the Thai side continued to encourage sports and cultural exchanges between the two peoples despite the border conflict which reared its ugly head in the middle of last year.

The director general was also quoted as saying that apart from settling the border problems through local mechanisms, Permanent Secretary for Foreign Affairs Asa Sarasin would also be happy to receive Soulivong in Thailand for an exchange of views on problems of mutual concern.

In his letter to Phoun, Sitthi said Thailand would continue purchasing electricity from Laos while urging the Lao side to stop verbal attacks on Thailand as well as linking the border problems which are strictly bilateral, to other issues such as the Kampuchean conflict.

The halt to verbal attacks is imperative to generating a favourable atmosphere that will lead to consultation between the two sides, The Thai minister's note says.

He said that the two sides should work together towards a better relationship.

The Thai officials also handed over a video tape on the situation in the three disputed villages and asked the Lao side to study it carefully. The film was taken by a team of Japanese correspondents during their recent visit there.

The Thai team is due to return to Bangkok this afternoon.

LOBBYIST EFFORT PREPARED FOR U.S. CONGRESSMEN

BK010141 Bangkok BANGKOK POST in English 1 Aug 85 pp 1, 3

[Text] Thailand is gearing up to present a unified, coordinated case against the pending Jenkins Bill to a high-level U.S. congressional delegation scheduled to arrive in Bangkok for a three-day visit starting August 17.

The Board of Trade met yesterday to discuss various points and issues to be raised when the U.S. delegation, led by Congressman Samuel Gibbons (Democrat, Florida), arrives to discuss free trade policies.

Mr Gibbons is the Chairman of the House Sub-committee of Trade of the Ways and Means Committee.

He is also said to be a firm believer in free trade.

Representatives of the Board and from industry will also meet with Foreign Ministry officials tomorrow to discuss the upcoming visit by the U.S. delegation despite firm indications that the controversial bill will be passed.

The board's vice president Yuk Na Thaland told the BANGKOK POST last night that yesterday's meeting included representatives from the textile, canned food and steel pipes industry.

Mr Yuk told the POST that the Thai groups scheduled to meet with the U.S. delegation will emphasise the importance of Thai-U.S. relations as well as ASEAN-U.S. relations.

We will tell them that if the Jenkins Bill passes, it would affect about 600,000 families or between 1.8 to 2.4 million people involved in the textile and apparel industry in Thailand alone, said Mr Yuk.

The vice president added, however, that the U.S. delegation will be told that Thailand understands their problem.

Nevertheless passage of the bill would not only adversely affect the Thai economy but would also affect the political situation in the country.

The U.S. congressmen will be urged to consider Thailand's position when they vote on the bill scheduled to be raised in September, Mr Yuk added

Apart from the Jenkins Bill, issues concerning other industries such as canned pineapple and tuna and steel pipes will be raised during meetings with the congressional delegation, he added.

Informed sources at the meeting yesterday said that the U.S. team is expected to argue that foreign textile imports threaten about two million Americans working in the textile and apparel industry.

U.S. Senator Strom Thurmond has argued that another two million Americans in related industries would also be affected.

The sources said that Thai teams meeting the delegation are expected to argue this point.

Another point expected to be raised by the congressional delegation is that the bill does not violate the Multi-Fibre Agreement.

The Multi-Fibre Agreement is a multilateral agreement established under the General Agreement of Tariffs and Trade (GATT) for the purpose of limiting the growth of textile/apparel imports which would otherwise disrupt domestic markets of importing nations.

Thailand will argue that the bill in fact violates this agreement and is in essence protectionist, sources added.

The sources said that yesterday's meeting and that with the Foreign Ministry tomorrow had been planned so that when the various Thai groups meet with the U.S. delegation, a united, coordinated case is presented.

A "division of labour" is being worked out before the arrival of the delegation, the sources added.

On August 18, the delegation, which includes Max Friedersdorf, an assistant to President Ronald Reagan, is expected to be briefed by the new U.S. ambassador to Thailand William Brown at his residence.

The delegation is expected to have a hectic schedule on August 19, the sources said.

The U.S. delegation is scheduled to have breakfast with the American Chamber of Commerce in Thailand followed by a meeting with the Board of Trade and the Association of Thai Industry at the Board of Trade's offices, the sources said.

The Thai private sector is then expected to host lunch for the delegation after which they will pay a call on Prime Minister Prem at Government House, the sources said.

A short meeting with ACM [Air Chief Marshall] Sitthi is expected to follow at the Foreign Ministry, the sources added.

The delegation then has a lengthy meeting scheduled with Deputy Industry Minister Dr Chirayu Itsarangkun na Ayutthaya and members of Parliament at the Foreign Ministry.

Apart from Mr Gibbons other congressmen in the delegation are: J.J. Pickle (Democrat, Texas), James R. Jones (Democrat, Oklahoma), Donald J. Pease (Democrat, Ohio), Beryl Anthony (Democrat, Arkansas), Bill Frenzel (Republican, Minnesota), Carrol Campbell (Republican, S. Carolina), Richard T. Schulze (Republican, Pennsylvania) and William M. Thomas (Republican, California).

ANGOLAN ECONOMIC DELEGATION ARRIVES FOR TALKS

OW292221 Hanoi VNA in English 1520 GMT 29 Jul 85

[Text] Hanoi VNA July 29 -- A government economic delegation of the People's Republic of Angola arrived here this afternoon for a friendship visit to Vietnam and to attend the first session of the Vietnam-Angola Inter-governmental Commission for Economic, Scientific and Technical Cooperation at the invitation of the Vietnamese Government.

The delegation led by lawyer Filipe Martins, vice minister of education, president of the Angolan section of the said commission, was welcomed at the government guest house by Dr. Dang Hoi Xuan, minister of public health, president of the Vietnamese section of the said commission, Hoang Xuan Tuy, vice minister of higher and vocational secondary education, Nguyen Canh Toan, vice minister of education and others.

Earlier, the delegation visited Ho Chi Minh City where it was cordially received by Tran Quynh, member of the Communist Party of Vietnam Central Committee and vice chairman of the Council of Ministers. Tran Quynh warmly welcomed the guests' visit and highly valued the results of the cooperation between the two countries.

For his part, lawyer Filipe Martins sincerely thanked the Vietnamese party, state and people for sending experts to help the Angolan people rebuild their country. Also in Ho Chi Minh City, the Angolan guests called at various economic and cultural establishments and had working sessions with the offices concerned. It was received by the city party and people's committees.

Cooperation Talks Begin

OW292223 Hanoi VNA in English 1526 GMT 29 Jul 85

[Text] Hanoi VNA July 29 -- The first session of the Vietnam-Angola Inter-governmental Commission for Economic, Scientific and Technical Cooperation opened here today. It was attended by Dr. Dang Hoi Xuan, minister of public health and president of the Vietnam section of the said commission, and lawyer Filipe Martins, vice minister of education, president of the Angola section of the said commission and many others. The two sides informed each others of the economic developments in their respective countries, reviewed the cooperation between the two countries in the past years and discussed the measures to further promote their economic, medical and educational cooperations in the years to come.

Protocol Signed

OW311820 Hanoi VNA in English 1606 GMT 31 Jul 85

[Text] Hanoi VNA July 31 -- A protocol on economic, scientific and technical cooperation between Vietnam and Angola was signed here this afternoon. Signatories were Dan Hoi Xuan, minister of public health and president of the Vietnamese section in the Vietnam-Angola Inter-governmental Commission for Economic, Scientific and Technical Cooperation, and Filipe Martins, vice minister of education and president of the Angolan section in the intergovernmental commission.

During their stay here, the Angolan guests paid tribute at the President Ho Chi Minh Mausoleum and visited his home and office. They were cordially received by Tran Quynh, member of the Communist Party of Vietnam Central Committee and vice chairman of the Council of Ministers.

The Angolan delegation attended the first session of the Vietnam-Angola inter-governmental commission, had working session with Vietnamese Ministries of Education, Secondary Vocational and Higher Education, Public Health, and Agriculture, and toured several cultural and economic establishments in Hanoi and Ho Chi Minh City.

VAN TIEN DUNG GREETES ANGOLAN ARMED FORCES DAY

OW311815 Hanoi VNA in English 1508 GMT 31 Jul 85

[Text] Hanoi VNA July 31 -- General Van Tien Dung, Vietnamese minister of national defence, today extended warmest greetings to his Angolan counterpart Colonel Pedro Maria Tonha, on the 11th anniversary of the Armed Force's Day of the People's Republic of Angola.

The message says: "Over the last eleven years, promoting their tradition of persistent struggle, the People's Liberation Armed Forces of Angola, together with the entire Angolan people, have overcome many difficulties and trials, continuously struggling against the lackeys of racism and imperialism to defend their revolutionary gains, national independence and territorial integrity, thus making active contributions to the struggle of peoples in Africa and the rest of the world for peace, national independence, democracy and social progress. We greatly rejoice at and are proud of your achievements".

The Vietnamese defence minister expressed his sincere thanks towards the Angolan Government, people and Armed Forces for their warm support for the Vietnamese people and Armed Forces in their past struggle for national liberation as well as their present national construction and defence. He wished the Angolan people and Armed Forces new and greater successes in the cause of building and defending the socialist Angola and wished the militant solidarity and fraternal friendship between the peoples and Armed Forces of the two countries further consolidation and development.

TRUONG CHINH SPEAKS AT ECONOMIC CONFERENCE

BK311450 Hanoi Domestic Service in Vietnamese 2300 GMT 25 Jul 85

[Text] During his working tour of southern Vietnam, Comrade Truong Chinh, member of the party Central Committee Political Bureau and chairman of the Council of State, visited and addressed the Lam Dong provincial party committee's plenary conference held to study the resolution of the fifth party Central Committee's eighth plenum and to discuss its implementation.

Comrade Nguyen Truong Tin, secretary of the provincial party committee; Nguyen Xuan Du, chairman of the provincial People's Committee; (Huynh Minh Nhut), deputy secretary of the provincial party committee; and many leading cadres of various echelons and sectors in the province attending the conference welcomed Comrade Truong Chinh with great elation.

Comrade Truong Chinh warmly hailed the conferees for having thoroughly studied and discussed the resolution, and for their high degree of unanimity with the central government over the resolution and their high determination to implement the resolution successfully.

Addressing the conference, the comrade said: The resolution of the party Central Committee's eighth plenum is a positive step toward materializing the resolutions of the party Central Committee's sixth and seventh plenums.

It asserts the determination of the central government as well as of our entire party, Army, and people and of various sectors and echelons to do away with bureaucracy and subsidization and completely switch to socialist economic accounting and business transactions.

After talking about the issuance of the resolution of the party Central Committee's eighth plenum and profoundly analyzing this resolution, Comrade Truong Chinh devoted a great deal of time to discussing the advantages and disadvantages involved in implementing the resolution. The comrade emphasized: Our entire party, Army, and people must uphold their sense of responsibility and must have a high determination to implement the resolution of the party Central Committee's eighth plenum at all costs. All sectors and echelons must bring into full play the socialist collective mastery of their cadres, workers, and laboring people. There will be no difficulties that cannot be overcome if we know how to develop the invincible strength of the masses' creativity.

Comrade Truong Chinh pointed out: Alongside the confidence and elation, a number of comrades have still been worried about money, goods, and prices as well as about organizational and cadres issues. Naturally, this cannot be avoided as we try to discard our old habits and prepare to enter a new era.

The new mechanism -- the socialist economic accounting and business transaction -- is still in the process of taking shape. It is not that someone may help bring the new mechanism to use but we must build and perfect this mechanism by ourselves if we are to show our determination. Therefore, at the beginning, it is certain that there will be many difficulties. We must make up our mind to do this without hesitating or waiting for something else. We must be confident and revolutionarily optimistic.

Comrade Truong Chinh continued: At present, many localities are carrying out the policy of indexing wages into cost-of-living increases and pegging wages to production cost. What they are doing can be likened to a great school from which experiences will be drawn for building gradually and preparing to implement the new management mechanism nationwide.

Through implementation of the system of socialist management over the economy and business transactions, we may find redundancies in our work, actions, and manpower. We may also discover competent enterprise directors and highly skilled workers. From this, we will proceed toward rationalizing production, carrying out technical improvements, increasing production and product quality, lowering production costs, and achieving better results in business transactions.

Underscoring the importance as well as the profound significance of the resolution, as it goes beyond the fields of prices, wages, and money, Comrade Truong Chinh urged the conferees not to think simplistically that everything will turn out well after solving the problem of prices, wages, and money. Doing away with bureaucracy and subsidization and switching completely to socialist economic accounting and business transactions are the gist of the resolution of the party Central Committee's eighth plenum. However, switching to a new system is not the ultimate target but rather an initial step that will open up a new era in economic activities. This transitional step will pave the way for reaching the objective of exploiting and making full use of the country's great latent potentials in land, manpower, and existing material-technical means to create conditions for rapid economic growth, stabilizing the people's lives, stepping up socialist transformation, proceeding toward achieving a balance between the budget and cash, creating the sources of capital accumulation for socialist industrialization, strengthening national defense and security, solving all problems facing the initial stage of the transitional period, and making every effort to gradually build socialism in our country.

On behalf of the party organization and the people of various nationalities in the province, Comrade Nguyen Trung Tin expressed his joy and honor at welcoming Comrade Truong Chinh to the conference. He regarded the latter's visit as a great source of encouragement by the party and the state to the province. He pledged to implement scrupulously all the instructions given by Chairman Truong Chinh to the party organization and people of Lam Dong Province. Chairman Truong Chinh also toured the Da Lat Nuclear Research Institute -- a modern scientific-technological project built with Soviet assistance. The chairman was accompanied by Comrade Nguyen Trung Tin.

Comrade Professor (Pham Duy Hien), director of the institute, and other comrades in the institute's management warmly welcomed Chairman Truong Chinh and guided him on a tour of a reactor, the operations center, laboratories, and so forth.

Chairman Truong Chinh attended a cordial get-together with the representatives of scientific cadres, engineers, and office and manual workers at the nuclear research institute. Addressing the get-together, Chairman Truong Chinh warmly praised those present for their great effort in building and quickly putting the reactor into action and in ensuring safety measures, beginning to master the technical operation of the reactor, introducing a number of scientific findings in the service of public health, geology, agriculture, and industrial activities and production and life, and preparing material-technical bases for cadres of our country's atomic research sector. During his stay in Lam Dong, Chairman Truong Chinh also visited the Suoi Vang water purification plant in Da Lat -- a modern project built with Danish assistance and designed to improve the quality of the water supply to Da Lat city.

HANOI TO PAY WORKERS IN CASH, ISSUE CREDIT CARDS

OW010821 Hanoi VNA in English 0656 GMT 1 Aug 85

[Text] Hanoi VNA August 1 -- As of today, August 1st, Hanoi will pay wage earners fully in cash. So far workers and public employees have been retributed partly in cash and partly with ration cards for certain kinds of staple commodities bought at insignificant prices fixed on a government-subsidy basis. Besides a sum of money, factory workers and public servants in Hanoi will receive credit cards with which they can buy their monthly food and fuel rations at any state store in the city. The credit cards, if not used, will be deposited in savings funds with a monthly interest rate of two per cent. The new policy, experimented in a number of cities and provinces throughout the country, is applied to Hanoi as from today in implementation of the party Central Committee eighth plenum's resolution on prices, wages and money. The wage system based on government-subsidy prices will be abolished and the system of socialist economic accounting and business transactions will be applied to all economic sectors.

COUNCIL OF MINISTERS CHAIRMAN ON POWER RESOURCES

OW310335 Hanoi Domestic Service in Vietnamese 1100 GMT 27 Jul 85

[Text] The chairman of the Council of Ministers recently sent a message to the chairmen of the People's Committees of Hai Hung, Ha Son Binh, Ha Nam Ninh, Ha Bac, Vinh Phu, Haiphong, Thanh Hoa, Nghe Tinh, Thai Binh, and Hanoi municipality; the ministers of power, agriculture, water conservancy, coal and mines, supply, and communications and transportation; the State Inspection Commission; and the State Planning Commission.

The message reads in full as follows: There are serious shortages of water for soil preparation and cultivation of the 10th-month rice.

The power needs of water pumps are enormous, but we only have a limited amount of electricity. However, the Council of Ministers will exert every effort to provide power for drought control. The chairman of the Council of Ministers asks the comrade provincial people's committee chairmen to strictly control the use of electricity in their localities; devote power resources to drought control and cultivation of the 10th-month rice; severely punish electricity filchers and illegal users of electricity; temporarily cut electricity to users of electricity that do not belong to the priority category consisting of households types 1, 2, and 3; and cut electricity for everyday use in Hanoi's urban areas [words indistinct]. The State Inspection Commission is charged, along with the Ministries of Power, Water Conservancy, and Agriculture, and the Office of the Council of Ministers, with controlling the use of electricity in the localities; drawing on-the-spot reports concerning violations in the use of electricity; and imposing fines in cash 10 times the current market price of electricity. Serious violations shall be prosecuted in court as encroachments on socialist property and sabotage of agricultural production. The Power Ministry shall cut electricity to those areas.

The chairman of the provincial people's committees are responsible for any failure to meet the planned cultivated acreage due to violations in the use electricity. As for those areas that properly use their supply of power -- and if no misuse of power is guaranteed -- but that still need more electricity, the Power Ministry is responsible for supplying more power so that cultivation can be carried out on schedule. The Ministries of Mines and Coal, Communications and Transportation, and Supply are responsible for providing and transporting sufficient coal and fuel for the power works. The provincial People's Committee chairmen are responsible for submitting daily reports to the office of the Council of Ministers and the sectors concerned on the implementation of this message.

PHAM VAN DONG SENDS MESSAGE TO ANTINUCLEAR FORUM

OW311712 Hanoi VNA in English 1610 GMT 31 Jul 85

[Text] Hanoi VNA July 31 -- Chairman of the Council of Ministers Pham Van Dong today sent a message of greetings to the 1985 World Conference Against A and H Bombs due to be held in Japan from August 1-8. The message says:

"The 1985 World Conference Against A and H Bombs which takes place in Japan on the occasion of the 40th commemorative anniversary of the U.S. dropping of atomic bombs on Hiroshima and Nagasaki and the 40th day of victory over Japanese militarism, is of special significance. At present, the policy of inciting confrontation, spiralling the arms race in the outer space and using force by the bellicose imperialists, first of all the U.S. imperialists, and other international reactionary forces is increasing the danger of a nuclear war, jeopardizing peace and security of all nations". "In face of such a situation", the message goes on, "all people of conscience highly value the persistent struggle and tireless efforts of the Soviet Union, other socialist countries the Non-aligned Movement, and all peace-loving people throughout the world aimed at averting a nuclear holocaust, safeguarding world peace, and supporting nations now advancing along the path of independence, freedom and social progress. Once victim of U.S. atomic bombs and subject to heavy consequences left by Japanese militarism, the Japanese people are better aware than anyone else of the real value of peace, freedom, and democracy. Over the past decades, they have always united in staunch struggle to urge the annulment of the 'Japan-U.S. security treaty', counter the implementation of the 'Asia-Pacific strategy' and the restoration of Japanese militarism and turn Japan into a peaceful, independent, democratic and prosperous country". The message says: "Together with the Japanese people and all peace-loving people throughout the world, the Vietnamese people will do all they can to contribute to the consolidation of peace and security in Southeast Asia and strive for dialogue, friendship, and cooperation between regional countries, thus contributing to the common struggle against nuclear war, for world peace".

AUSTRALIARADIO ON 'FAIR' DEAL AGREED TO AT PNG AID TALKS

BK310905 Melbourne Overseas Service in English 0830 GMT 31 Jul 85

[Text] Australia and Papua New Guinea have reached agreement on a new aid package worth \$1,400 million -- that is about U.S. \$ 1,000 million -- over the next 5 years. Under the new program, Australia's aid will be gradually reduced from its present level of must over \$300 million a year. The agreement was reached after 2 days of talks between Papua New Guinea leaders and Australia's foreign affairs minister, Mr Hayden, in Port Moresby.

Australia had proposed reducing aid by about \$70 million a year over the next 5 years, but after the talks, agreed to smaller reductions. Direct aid to Papua New Guinea's budget is to be reduced in line with Australia's wish that money for special projects in Papua New Guinea is to be increased.

Papua New Guinea's foreign affairs minister, Mr Giheho, had earlier warned that harsh cuts would threaten his country's economic development and internal stability. He said after the agreement that even with the deal proposed, Papua New Guinea would have to take harsh economic decisions in coming years.

Both Mr Hayden and Mr Giheho described the new arrangement as fair and reasonable, and provided a solid basis for the continued development of Papua New Guinea.

NEW ZEALANDPAPER CITES STATEMENT ON ANZUS POSITION

HK010237 Hong Kong HONG KONG STANDARD in English 1 Aug 85 p 1

[By Paul Campbell]

[Text] New Zealand has mounted an international campaign to counter criticism of its anti-nuclear policy, in relation to its membership of the ANZUS alliance.

The alliance links the United States, Australia and New Zealand in a common defense policy.

However, a decision by New Zealand to ban nuclear warships from its waters has put a severe strain on the tripartite pact.

In the Australian capital, Canberra, this month the U.S. Secretary of State, Mr George Shultz, accused New Zealand of "walking off the job" and indulging in "escapism and isolationism."

The Australian Minister of Foreign Affairs, Mr Bill Hayden, said New Zealand had "walked away from ANZUS."

The New Zealand Department of Foreign Affairs has responded with a statement on its role in ANZUS, for distribution to government officials, community and business leaders and the media around the world.

In Hong Kong the New Zealand Commissioner, Mr Frank Muller, said the statement was "a New Zealand perspective on ANZUS."

The statement says that notwithstanding the ships dispute, the alliance remains intact and all three partners have affirmed this.

It continues: "Trilateral defence cooperation has been suspended by the United States but the alliance framework and the core obligations -- to consult and act to meet a common danger in accordance with constitutional processes -- remain intact.

"The annual ANZUS Council session for 1985 was cancelled but not by New Zealand or with New Zealand's concurrence."

Commenting on the statements made by Mr Shultz, it continues:

"New Zealand has consciously and consistently reacted with moderation and restraint to the more extreme United States statements...which portray New Zealand, in some way, as reneging on its ANZUS alliance obligations.

"New Zealand, as a responsible member of the Western community, will continue to exercise this restraint despite the temptation to take issue publicly with the United States."

The statement concludes with three main points:

- ANZUS still exists as a tripartite alliance and New Zealand remains firmly committed to it.
- New Zealand is working hard to resolve its ships visits dispute with the United States.
- There has been no fundamental change in New Zealand's foreign and defence policy.

Mr Muller told THE STANDARD yesterday that New Zealand's Deputy Prime Minister, Mr Geoffrey Palmer, would shortly visit Washington for specific talks on the nuclear ships issue.

In addition the Prime Minister, Mr David Lange, will travel to the United States later this year when further talks will also include the ANZUS row.

He added that legislation is also due to be introduced into the New Zealand parliament to write into law the ban on nuclear weapons and ships in New Zealand waters.

The ANZUS row will also be aired in Rarotonga in the Cook Islands this weekend when the South Pacific Forum gets underway.

The forum groups most Pacific nations and New Zealand and Australia.

A draft treaty has been prepared for the meeting to have the entire South Pacific region declared a nuclear-free zone.

NO INDONESIAN COMMUNIST PARTY MEMBERS SHELTERING IN PRC

HK010720 Hong Kong AFP in English 0633 GMT 1 Aug 85

[Text] Jakarta, Aug 1 (AFP) -- Beijing has confirmed that no more Indonesian Communist Party (PKI) members are sheltering in China, Indonesian Foreign Minister Mokhtar Kusumaatmaja said in a press report today.

He described the confirmation as "a new stride forward," the official news agency ANTARA said.

ANTARA quoted the foreign minister as saying that if the former PKI members were no longer in China, then they must have taken refuge elsewhere, and that some had even succeeded in re-entering Indonesia. "We must always be on the alert," Mr Mokhtar said.

ANTARA cited a U.S. Information Service bulletin dated March-April this year as saying some 250 PKI members were in exile.

Two weeks ago Mr Mokhtar said he had sought reassurance from China's mission to the United Nations on whether ex-PKI members were still living in China.

The Indonesian Communist Party, once the second largest in Asia, was outlawed after a communist backed coup attempt in 1965. Jakarta accused Beijing of complicity. The attempt failed and thousands of PKI members and fellow travellers were killed and wounded in the aftermath.

Mr Mokhtar said he also had asked a trade mission leaving for East Europe and Moscow to urge those governments not to allow any PKI members to speak claiming to represent Indonesia in any international meetings.

MOKHTAR ON DIRECT TRADE WITH PRC, SRV VISITOR

BK271048 Jakarta International Service in English 0800 GMT 27 Jul 85

[Text] Foreign Minister Mokhtar Kusumaatmaja firmly stated in Jakarta yesterday that the current visit of the delegation of the Indonesian Chamber of Commerce and Industry, Kadin, to China does not have political tendency as it merely promotes direct trade with China and to seek market for Indonesian commodities.

Speaking at the weekly press meeting in Jakarta, Minister Mokhtar said that the visit of the Kadin delegation to China was a realization of a common willingness to establish direct trade relations between Indonesia and China. Minister Mokhtar admitted that China has proposed a market for Indonesian commodities, therefore Indonesia should take a (?standing) on it.

Answering a question on when the visit of the Vietnamese Foreign Minister Nguyen Co Thach would be realized, Minister Mokhtar said that the planned visit was still under consultation between Jakarta and Hanoi.

MALAYSIAUSSR OFFICIAL RULES OUT DIRECT ROLE IN CAMBODIAN ISSUE

BK010647 Kuala Lumpur International Service in English 0600 GMT 1 Aug 85

[Text] The Soviet Union has come out with (?outright) support for all talks taken by ASEAN countries as well as other Southeast Asian nations toward a realization of a zone of peace, freedom, and neutrality -- ZOPFAN. The visiting Soviet head of Southeast Asian affairs, Mr Anatoliy Safronovich Zaytsev, gave this assurance to the deputy minister of foreign affairs, Encik Abdul Kadir Sheikh Fadzir, in Kuala Lumpur today. He hoped that ASEAN and the countries in Indochina will establish contacts and work positively toward achieving this objective.

Mr Zaytsev also said that the Soviet Union, while wishing for a speedier solution to the Kampuchean problem, will not interfere or impose its views on this region. The Soviet Union preferred the matter to be solved by various sovereign countries in the region.

Encik Kadir disclosed this to newsmen after a 1-hour meeting with Mr Zaytsev at Wisma Putera [Foreign Ministry building].

AFP Report

HK010907 Hong Kong AFP in English 0707 GMT 1 Aug 85

[Excerpts] Kuala Lumpur, Aug 1 (AFP) -- A high-ranking Soviet official has ruled out a direct role for Moscow in current efforts to end the more than six-year-old war in Cambodia.

Malaysian Deputy Foreign Minister Kadir Sheikh Fadzir said after talks with Anatoliy Zaytsev, the director general for Southeast Asian affairs in the Soviet Foreign Ministry, that Moscow wanted the Cambodian issue resolved by countries in Southeast Asia. "The Soviet Union would not like to interfere or impose its views on the region," Mr Kadir quoted Mr Zaytsev as saying during the hour-long meeting.

A Soviet official said that Mr Zaytsev was here for annual consultations ahead of the upcoming session of the United Nations General Assembly.

He had made similar statements during other stops on his current tour, which has included Singapore and Thailand. Those two countries, along with Malaysia, Indonesia, the Philippines and Brunei are members of the non-communist Association of Southeast Asian Nations (ASEAN).

Mr Kadir declined comment on whether he discerned any change in the Soviet mood on Cambodia, but diplomats said that there was nothing new in Mr Zaytsev's remarks. Mr Kadir said that Mr Zaytsev reiterated Moscow's willingness to participate in any move by the superpowers to guarantee a settlement in Cambodia. But he said that the Soviet official did not respond to a request that it urge Vietnam to reply to peace proposals by ASEAN including the indirect or proximity talks plan.

Mr Kadir said that Mr Zaytsev did not state his government's position on the ASEAN proposal but said Moscow would welcome all initiatives by Southeast Asian countries and the Indochina states to resolve the Cambodia conflict and establish a zone of peace in the region.

MARCOS' BID FOR BODY ON U.S. TIES REJECTED

HK311535 Manila BUSINESS DAY in English 31 Jul 85 p 12

[Text] Opposition Batasan members yesterday rejected the Kilusang Bagong Lipunan proposal to organize a bipartisan committee to review the entire spectrum of Philippine American relations particularly the military bases agreement.

After a three-hour caucus at the Batasan, Minority Floor Leader Jose B. Laurel Jr. said there is no need to create such a special committee since the Batasan already has a committee on foreign affairs which can go over aspects of the RP[Republic of Philippines] -U.S. relations.

In rejecting the ruling party resolution, the opposition solons questioned its motive. The KBL measure came on the heels of the controversy on the compensation of the U.S. to the Philippines for the unhampered use of the military bases here.

The opposition MP's reiterated their earlier position that the Batasan should not limit its discussion on RP-U.S. relations but must focus likewise on foreign policy formulation.

According to MP Ramon Mitra (RDP-LABAN [Pilipino Democratic Party-Lakas ng Bayon], Palawan), it is about time the people should formulate the country's foreign policy through their Batasan representatives. "Our country, in fact, has no foreign policy; we do not even have a foreign minister," he said.

Mitra also noted that the Marcos regime has entered into agreements with other countries to the detriment of the Filipino people. He cited, for instance, the policy of the government favoring foreign investors who are granted such privileges as full repatriation of profits and minimal taxes.

The Batasan opposition yesterday likewise deferred the filing of a resolution seeking the impeachment of President Marcos until after the creation of a nine-man management committee which will gather all the documents and other evidence necessary to bolster the grounds for impeachment.

REPORTS OF U.S. OFFICERS ASSISTING ARMY DENIED

HK010459 Manila Far East Broadcasting Company in English 2300 GMT 31 Jul 85

[Text] The reports that an American Marine officer was seen leading combat patrols against NPA guerrillas in Camarines Norte has been officially denied. The American Marine turned out to be First Lieutenant Ricardo Tamayo, an American mestizo, a native of Malolos, Bulacan. Lt Tamayo was presented to acting Armed Forces Chief of Staff Lieutenant General Fidel Ramos at the 3rd Military Police Battalion Headquarters in Daraga, Albay. Tamayo is the son of an American serviceman, Richard Palmer, of Cincinnati, Ohio, and the former Eulalia Sta. Ines. Tamayo said he got his surname from the late Arsenio Tamayo of (Atlag), Malolos, Bulacan, who had adopted him. Tamayo was a track and field star at the Far Eastern University during his student days. He enlisted in the Philippine Navy in 1967 and was commissioned an officer in 1980.

The reported involvement of an American Marine officer in the anti-insurgency operations in Bicol was reported by Maximo Lopez, president of the Bicol Coconut Planters Association, and by two Manila newspapers.

MP ALLEGES DISGUISED U.S. BASE ON MINDANAO

HK310839 Quezon City VERITAS in English 28 Jul 85 p 14

[By Carolyn Arguillas]

[Text] Is the weather station and seismic research facility in Damilag, Del Monte, Manolo Fortich, Bukidnon a U.S. military installation?

According to MP Homobono Adaza of Misamis Oriental, it is. In a speech last June 1983, Adaza said that in the early sixties, "the United States constructed this military installation under the cover that it was a weather station. Considering that Northern Mindanao, where this facility is located, is typhoon free, the placement of a weather station in the area was a little superfluous. Nevertheless, a weather station is always welcome in any place. Thus the installation did not create any furor among the residents of the area and neighboring places."

Shortly after the Adaza speech, the U.S. government disclosed that the installation has really been used in the detection and measurement of seismic activity (earthquakes and underground tests of nuclear weapons).

The facility, however, is still shrouded in mystery. Consider what Adaza revealed: "Workers have stated that they were blinded as they were taken down to work underground; sometime in the middle sixties, giant pipes which were meters in diameter were landed in Cagayan de Oro and taken to the site of the installation; planes are known to have flown over the area late at night and sounds emitted by these planes tended to suggest that they landed in the area; massive deposit of fuel normally used by jet aircraft; extensive telecommunications network extending as far as 10 miles from the above-ground site; and a communication system with any United States military installation in the world within minutes."

The weather station, Adaza added, uses highly sophisticated equipment. It is strictly guarded and is off-limits to outsiders. Rumors are rife that nuclear weapons might be stored inside.

But why Mindanao?

A "Preliminary Study on the Economic Origins of Social Unrest" by Eduardo Tadem in 1980 reveals this partial list of major American corporations with control over Mindanao lands: Pacific Wood Products Co. with 61,064 hectares; Weyerhaeuser with 73,000 hectares; Georgia Pacific Corp with 96,000 hectares; Castle and Cooke (Dole, Stanfilco) with 30,000 hectares; United Brands (Tadeco) with 6,000 hectares; Del Monte (Philippine Packing) with 24,000 hectares; BF Goodrich with 2,900 hectares; and Firestone with 2,000 hectares.

The same study reveals that following are major product lines in Mindanao tied up with significant American interests: bananas, pineapples, coffee, tomatoes, tuna fishing, mackerel, wood products, plywood, veneer, corporate farming (rice); nickel, coconut products, copper and gold, iron ore, rubber, palm oil, cattle, ferrochemicals (silicon) and canning.

"It is a U.S. military installation," declared a high-ranking Philippine military official who requested not to be identified, "but it is about to be vacated by the Americans anytime this month or next month." Asked why it would be vacated, the military official initially said it is "part of the retrenchment policy of the United States and also to reduce cost," but later revealed that the installation would be vacated because "the security force there cannot contain a rebel attack. Maybe the U.S. feels the installation is of no use to them now."

The same official disclosed that part of the reason could be because the rash of killings in the plantations just outside the installation, has been rapidly increasing," and it is possible that they feel they'd be the next target for attack." The Philippine Air Force, he said, will take over the installation.

Admitting he has entered the compound of the installation, the official added there are indeed pipes for tracking purposes. "Of course, it is also a weather station, and as Adaza said, there is no need for it here because Mindanao or Budidnon for that matter is not within the typhoon belt. Adaza's remark is rather myopic." The weather station facilities, he added, have the capability to monitor and record the tremors in any part of the world, and distinguish whether those tremors are caused by natural events or by a nuclear explosion. "The U.S. specifically monitors rocket launchings from the U.S.S.R. and China. The installation has a very sophisticated communication system which could relay messages worldwide."

He declined to comment on whether the installation also serves as a launching pad for nuclear warheads.

But the danger of American involvement in the counter-insurgency campaign cannot be easily dismissed if we are to recall what Lt. Gen. George Seignious II, a U.S. Defense Department spokesman said in the 1974 Foreign Assistance Hearings before the U.S. Senate Appropriations Committee: "The danger in the Philippines comes from...insurgents that are of considerable concern, not only to the Filipinos themselves, but to the security of our bases...Our concern in the Philippines is the security of our bases... against insurgencies."

That was in 1973. By Enrile's own admission, the peace and order situation today compared with the situation obtaining then "has deteriorated much more in terms of the NPA threat...From the viewpoint of the Marxist threat, the situation is much more serious."

'WHITEWASH' IN OVERSEAS PROPERTY PROBE PREDICTED

HK260831 Quezon City VERITAS in English 21 Jul 85 p 6

[Editorial: "Mendoza Probe Cannot But End in Whitewash"]

[Text] Coffee shop wags have a new joke which has their listeners chortling with delight. It goes this way: There are three chiefs of state who have left their mark in history. The first was Washington, because he could never tell a lie. The second was Hitler, because he could never tell the truth. And the third is Marcos, because he cannot tell the difference.

Judging from at least two recent presidential pronouncements, it would seem that the joke has some basis in fact. Mr. Marcos' claim that he was running for reelection because there was nobody else qualified to lead the country out of the economic doldrums is patently untrue. And his sanctimonious statement that Philippine officials have a high degree of accountability is so obviously false that nobody -- not even some members of his official family -- believes it.

And yet, Mr Marcos makes these outrageous statements with an absolutely straight face. No wonder his credibility has sunk to abysmal depths.

When the MERCURY NEWS ran its series on the alleged estate holdings of top government officials led by the Marcoses themselves, everybody expected the President to react.

But, for two whole weeks, he kept silent, obviously thinking that the problem would go away if he ignored it. The vehemence of public reaction, not to mention the weight of adverse editorial criticism, forced him to act.

He instructed Solicitor General Estelito Mendoza to investigate the American newspaper's claims. With characteristic imperiousness, he order Mr. Mendoza to spare no one. Despite the crony press' alleluiahs lauding the move and complimenting him for having his finger on the public pulse, the public response was a bored yawn. It was, to most people, another display of empty presidential rhetoric, all sound andufury, signifying nothing.

From where we sit, the presidential order to Mr. Mendoza to investigate the unexplained wealth is both puny and ludicrous. Why puny? Because no one in his right mind can believe that Mr. Mendoza, however competent he may be, will have the time to give the investigation the serious attention that it deserves -- even if he wanted to. Why ludicrous? Because Mr. Mendoza has already been told that the newspaper revelations were based on "innuendoes, rumors and gossip." How then can he be expected to pursue the investigation with vigor and dispatch since, according to the President no less, the charges are not based on solid fact? Ludicrous also because Mr. Mendoza, rightly or wrongly, has earned a reputation for obsequious loyalty to the President. It would thus be the height of effrontery for him to do anything that would displease the lord and master in Malacanang.

We have nothing against the estimable Mr. Mendoza. From what we hear from some of his colleagues in academe, he is a nice man and a good lawyer. But, no matter what extraordinary intellectual gifts he may possess, the fact remains that he is only human and there are only twenty-four hours in a day.

Being Minister of Justice is a full-time job. Being Solicitor General is another task that requires all his attention. And being governor of Pampanga, a province where the seeds of discontent are sprouting and where the rumblings against the Kilusang Bagong Lipunan are gathering momentum, demands his undivded attention.

Whatever his talents, Mr Mendoze is no superman. The best he can do at present is to give part-time attention to each of his full-time jobs. Whether he likes it or not, his concentration is diffused. Certainly the people have a right to have a full-time Minister of Justice and a full-time Solicitor General. And can we blame the people of Pampanga for complaining that they have an absentee governor who is hardly ever there where they need him?

Now comes Mr Marcos giving Mr Mendoza another hat to wear -- that of investigator of the unexplained wealth of a passel of cabinet ministers and presidential cronies. Where, in heaven's name, will Mr Mendoza find the time to take on this added responsibility?

It is surprising then that the people do not believe that Mr Marcos seriously wants to flush out the dollar salters and the economic saboteurs within his official family?

The investigation, it is to spare no one as the President directed, has to be exhaustive; as exhaustive, say, as the proceedings conducted by the Fact-Finding Board headed by Justice Corazon J. Agrava. But, to do that job, the Board members literally had to drop everything else. And General Counsel Andres R. Narvasa had to give up his law practice to do justice to the task he was mandated to perform.

It is clear, therefore, that the President does not want an exhaustive investigation. All he wants is a temporary palliative that would stop the public clamor for a probe. Hopefully, if enough time passes and if it is true that the public memory is short, the people will forget all about it. What he wants at this point is a whitewash of the whole sordid affair.

But a whitewash is something that the people should not stand for. They should demand the creation of an independent investigating commission composed of private citizens with unquestioned integrity. A commission, moreover, sufficiently funded so as to enable it to go to the United States to dig deeply into the charges. There is no question that the MERCURY NEWS would cooperate in such an investigation by such a commission.

We pledged last week that VERITAS will do its best to keep public interest in the case alive. To achieve this end, and until such time as the President creates the commission, we are assigning one staff member to monitor developments on the Mendoza investigation. If this staff member reports that nothing is going on, we will say so. If he says that a door has been slammed in his face, we will say that also. In the process, we may become a pain the neck to Mr Mendoza, but that is an occupational hazard we are prepared to take. We are not in journalism to win a popularity contest but to be an instrument of the truth.

Our mission is to enable the reader to distinguish between propaganda and the facts, between the truth and the lie. More than this, we will not promise; less than this, we will not do.

AFP CITES TOLENTINO REMARKS ON REMOVING MARCOS

HK280432 Hong Kong AFP in English 0425 GMT 28 Jul 85

[Text] Manila, July 28 (AFP) -- Former Foreign Minister Arturo Tolentino has called for an end to the 20-year-old rule of President Ferdinand Marcos amid mounting communist insurgency and economic crisis, it was reported here today. Mr Tolentino told a forum yesterday that Mr Marcos should be "removed" from office since he has plunged the country into a "state of hopelessness and helplessness," the MALAYA newspaper reported.

Mr Tolentino, who had taken over as foreign minister only last year, was sacked by Mr Marcos a few months ago for openly going against the policies of the president. He has remained in the ruling party but become a stern government critic.

Calling Mr Marcos's leadership "the root of the country's evils," Mr Tolentino was quoted by MALAYA as saying that if the president remained in office, what "may be happening today may become worse and become irreversible."

Mr Marcos's government faces insurgency from the outlawed Communist Party of the Philippines (CPP), whose guerrilla arm, the New People's Army (NPA) has reportedly grown into a 15,000-strong regular army operating in more than 62 of the country's 73 provinces.

The Philippine economy also registered a negative 5.5 percent growth rate last year as the country reeled from a crisis spawned by the 1983 murder of Mr Marcos' chief political rival Benigno Aquino.

OFFICIALS NEGOTIATING 1985 BUDGET DEFICIT WITH IMF

HK311515 Manila BUSINESS DAY in English 31 Jul 85 p 3

[By Rigoberto D. Tiglao]

[Text] The Philippine Government is still negotiating with the International Monetary Fund (IMF) for a 1985 budget deficit higher than the P 6.2 billion the government had earlier committed to the IMF, Prime Minister Cesar Virata and Budget Minister Manuel S. Alba confirmed yesterday.

Alba said the government wants the higher budget deficit -- the difference between the national government's spendings and revenues -- so it could undertake "counter-cyclical measures" to deal with the country's economic crisis. Although Alba did not elaborate, "counter-cyclical measures" refer to government's pump priming of the economy, through increased expenditures mainly in infrastructure. The government resorted to such "counter-cyclical" measures on a massive scale in the 1970s when the 1974 and 1979 oil shocks plunged the world economy into recession.

Virata and Alba did not disclose how big a cash deficit the government is requesting for 1985. Virata noted however that it depends on such factors as the amount of U.S. government will remit for the economic support fund (ESF) this year. The government estimates that proceeds from the ESF this year will come to \$71 million.

BUSINESS DAY sources in the government however disclosed that the government wants the cash budget deficit this year to be "higher than the P7 billion earlier reported." They explained that two major factors have prompted the government to seek a higher budget deficit for this year.

First, the effects of the IMF-sponsored economic austerity measures have been more severe than initially expected, with both the country's trade and real gross national product (GNP) plunging steeply. The economic downturn, as Virata noted during the recent Tokyo meeting with the country's largest official creditors, has worsened because of the slower-than-expected recovery in the economies of industrial states -- the Philippine's major export markets.

With the economic activity more sluggish than expected, tax revenues are expected to be lower than initially programmed by the government. Virata in a Batasang Pambansa committee meeting on the 1986 budget yesterday disclosed data that indicate a downturn in government revenues from customs duties. According to Virata, customs revenues for the first six months of the year amounted to only P8.9 billion, 17 percent less than the P10.9 billion target.

Second, the government has to increase its budget deficit this year because it has to provide counterpart pesos so it could avail of official development loans from foreign governments which have already been committed. Data on the 1986 budget submitted by the prime minister to the Batasan showed that only 32 percent of official development credits committed for 1984 was not utilized. Virata's report said peso counterpart funds will be needed in 1985 in order to utilize some \$190 million in official loans. Assuming an exchange rate of P18.50:\$1, the peso counterpart needed amounts to P3.5 billion.

It is important for the government to avail of the official credits already committed this year since one of the conditions for it to draw on the third and last tranche of the \$925 million new money facility from the country's creditor banks is that it must first utilize at least 75 percent of all such credits.

A budget deficit this year higher than that earlier estimated will mean that the government will have to increase borrowings from the public through the issuance of Treasury bills, its major source of domestic financing to fill the budgetary gaps. As a result, the level of credit that will be available to the private sector will be less than what the government had earlier wanted in order to prompt economic activity.

OFFICERS COMMENT ON NPA ACTIVITIES IN MANILA

HK311455 Hong Kong AFP in English 1319 GMT 31 Jul 85

[Text] Manila, July 31 (AFP) -- Communist urban guerrillas have begun operating in Manila and may have been behind recent slayings of policemen and armed robberies in the capital, top military and police officials said today. Lieutenant General Fidel Ramos, acting military chief and national police director, told a news conference that Armed City Partisans (ACP's), urban guerrillas of the communist New People's Army (NPA), were already in Manila.

"One of the things we are looking into is the possible involvement of these armed city partisans" in bank robberies, because fund-raising is one of the basic requirements of their urban struggle, Lt Gen Ramos said. "It is in the urban areas where they find some easy picking," he told a forum of the Foreign Correspondents Association of the Philippines. Metropolitan Manila has been hit in recent months by a spate of relatively small and swift bank robberies.

Gen Ramos said there was "no cause for alarm" about the presence of ACP's in Manila, saying that the communist aim there generally was to "mobilize the subversive network" by infiltrating sectors led by students and labor.

Manila Police Chief Brigadier General Narciso Cabrera told the forum that the ACP's had "limited capability" in Manila, citing the presence of large military camps in this city of nearly eight million people. He said police had pinpointed communist "safe houses" or hideouts in Manila and the authorities could take "immediate tactical action" when the need arose. He later told AGENCE FRANCE-PRESSE that at least two police slayings in Manila this year appeared to have been the work of the ACP.

Gen Cabrera said there were also two cases last year which were apparently part of the NPA's "agaw armas" (seize firearms) program, to kill urban policemen in order to seize their weapons. Gen Cabrera said insurgency-related violent incidents had risen by about 15 percent this year over 1984, when a total of 3,720 incidents were recorded. Gen Ramos said that on an average day this year, 14 people were killed in such incidents across the country -- three government troopers or police, four citizens and civilian officials and seven rebels. "For a country of our size I think that this is not really unusual," said Lt Gen Ramos, who remarked that more people were being killed on the country's highways. The Philippines has a population of 54 million.

The nationwide campaign of the estimated 12,000-strong NPA, military wing of the Communist Party of the Philippines, is based in the countryside, from where it has said it plans to encircle the cities while fomenting urban unrest.

A briefing given today by aides of Lt Gen Ramos placed the number of NPA regulars at 10,000-12,000, with two-thirds of them armed.

COMMUNIST PLAN ON SHIFT TO CITIES UNCOVERED

HK311545 Manila BUSINESS DAY in English 31 Jul 85 p 12

[Text] The military has uncovered a plan of the Communist Party of the Philippines (CPP) to shift its guerrilla operation and liquidation missions in the urban areas.

Col. Lorenzo Rapanan, commander of the Central Luzon PC-INP [Philippine Constabulary-Integrated National Police] regional command, said this was confirmed by a CPP leader who was arrested in Malolos, Bulacan last Thursday.

Rapanan said Amado Mangulabnan, head of CPP's Bulacan Urban Military Command (UMC), confirmed the plan but denied participation of his unit in the killing last year of Northern Police District superintendent Brig. Gen. Tomas B. Karingal in Quezon City.

In his report to Lt. Gen Fidel V. Ramos, acting AFP [Armed Forces of the Philippines] chief of staff, Rapanan said Mangulabnan's unit was being held responsible for the liquidation of six policemen in Bulacan, four others in Valenzuela, Metro Manila and a dozen individuals, mostly businessmen in Bulacan in the last three months.

Documents seized from Mangulabnan showed the CPP, through its military arm the New People's Army (NPA) also planned to intensify guerrilla operations in urban areas.

Military authorities in Camp Olivas here explained that CPP-NPA activities in the urban areas included mass demonstrations and mass actions of various labor, student, religious and business groups.

Other documents seized from Mangulabnan showed that the CPP-NPA heirarchy had organized urban military commands in metropolitan areas in the country.

Camp Olivas authorities also learned from Mangulabnan that some CPP-NPA ranking leaders assigned in Mindanao, Luzon and the Visayas have been assigned to urban areas of Central Luzon.

Mangulabnan, of barangay Subic, Baliwag, Bulacan, was captured in Barangay San Juan, Malolos. Seized from him were an armalite rifle, several rounds of ammunition and documents.

NPA COMMANDER KILLED IN NEGROS OCCIDENTAL

HK010503 Quezon City Maharlika Broadcasting System in English 0400 GMT 1 Aug 85

[Text] A wanted top NPA commander is dead. (Renato Flordeliza), alias Commander [name indistinct], was gunned down in a shooting with lawmen in Pamplona, Negros Occidental.

He had been credited with the expansion of the NPA movement in the southern part of Negros Occidental.

PROGRAM TO MINIMIZE GOVERNMENT'S ECONOMIC ROLE

HK301455 Manila BUSINESS DAY in English 30 Jul 85 p 2

[By Rigoberto D. Tiglao]

[Text] The program of action the Philippines government will pursue this year up to 1986 to turn around the economic crisis involves drastically minimizing the government's intervention in the economy, either through its corporations or through its regulations over agriculture and industry.

This is the gist of a six-point "specific program of policy action" Prime Minister Cesar Virata presented at the recent Tokyo meeting of the subcommittee of the consultative group for the country consisting of the World Bank, the International Monetary Fund (IMF), Asian Development Bank (ADB) and four of the Philippine's biggest donor countries.

Apparently to emphasize the urgency of implementing the program of action, Virata, after pointing out that the country complied with all of the IMF's conditions for end-May, told the country's lenders that the country's economy is continuing to plunge. He said the real gross national product (GNP) fell by 3.7 percent in the first quarter of the year, with industrial production down by a steep 15 percent. The Prime Minister pointed out that the slump in economic activity continued through the second quarter of the year "as enhanced by negative growth in energy consumption."

In his presentation of the government's program of policy action, Virata gave little attention to the IMF's stabilization program, saying only that the Philippines will "remain fully committed to the stabilization program and will implement further measures to ensure that program targets are strictly met."

On the other hand, Virata dealt at length with the other five points of the government's "specific program of policy action" which are technically outside the commitments under the IMF stabilization program. BUSINESS DAY sources in the government said this was reflective of the change in the economic managers' view in the last few months that their priorities should now shift to economic structural reforms rather than on meeting the IMF's monetary targets.

The program Virata outlined consisted of the following:

- A major withdrawal of the government's participation in the financial system;
- Limiting public corporations' operations in the economy to the extent of cutting down the areas they can operate in and withdrawing the special privileges given by them;
- Scaling down the medium-term public investment program by about 26 percent in the 1985-1989 period;
- Maintaining and escalating the government moves to lift all forms of subsidies and dismantle government-backed monopolies in the agricultural sector; and
- Resuming and accelerating the so-called structural adjustment program by which all forms of tariff protection for local industries will be reduced to expose them to world-market competition.

Virata indicated that the announced policy of consolidating and/or disposing of state-owned banks and other types of financial institutions the government owns or controls makes up a major part of the 1985-1986 program of action. He listed what he termed as the "basic principles" underlying this program, which includes the following:

-- Confirming earlier reports regarding government plans to merge the Philippine National Bank (PNB) and the Development Bank of the Philippines (DBP), Virata said the government intends to consolidate all major financial institutions into a "single government banking institution which will have both agricultural financing and commercial banking functions."

-- The industrial lending institution the government will put up to provide funding for large-scale projects on a medium- and long-term basis will be "majority-owned by private banks with minority participation from the government and international financial institutions."

-- The government will "divest itself of the six government-acquired commercial banks through the sale of government equity to qualified private parties or by merging them with other private banks."

-- An institution will be set up to take care of the disposition of assets acquired by public corporations.

Virata emphasized that the government intends "to carry out these specific measures in quick succession...The measures are expected to be finalized and approved by the end of the year."

In explaining the program of action for public corporations, Virata explained that the government will soon come up with a listing of areas in which public corporations may operate. He added that the government will withdraw regulatory authority from some of these corporations as well as their special privileges and benefits.

Among the specific measures he said would implement the government's thrust to minimize its participation in the economy is the return of the operations of the Food Terminal, Inc. (FTI) and Kadiwa to the private sector. He noted that the government expects to complete a study on the "privatization of FTI and Kadiwa operations" by January next year.

DEFENSE MINISTER ENRILE FILES LIBEL SUIT

HK010515 Manila Far East Broadcast Company in English 2300 GMT 31 Jul 85

[Text] Defense Minister Juan Ponce Enrile yesterday filed a 10 million peso libel suit against officials and certain members of the Anticronyism Movement for accusing him of making money in a helicopter deal of the government. The libel suit was filed with the provincial fiscal of Rizal. The suit arose from placards carried by Anticronyism demonstrators at a recent rally which said: Ponce Enrile, what was your cut in the purchase of Sikorsky helicopters?

Enrile said the Anticronyism members maliciously conspired to publicly assault his integrity and that of his family. He challenged the group to prove their case in court. He said he will resign if found guilty. Among those cited in the libel case were Teopisto Guingona Jr, Rely Herman, Emmanuel Soriano, Rizalina Dungkan, Teresita Castillo, Rebecca Tanada, Richard Powell, Arturo Hilado, Ricard Nepomuceno Jr, Teresita Baltazar, and several John Does.

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